

Victory eludes Amos.
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The New York Times
WEEKLY REVIEW
INSIDE TODAY

Don't wait too long, Shultz warns Soviets

WASHINGTON (Reuters). — Secretary of State George Shultz said yesterday prospects of a U.S.-Soviet summit might be sunk if Soviet leader Mikhail Gorbachev delayed too long in setting a date.

Shultz, just back from talks in Moscow that failed to set a date for a meeting between Gorbachev and President Reagan or conclude a treaty scrapping intermediate-range nuclear forces (INF), said a summit would be desirable.

"But, we'll have it when he (Gorbachev) is ready or, if he waits too long, maybe we won't be ready," Shultz said in an interview on U.S. television.

He noted the Reagan administration would end in January 1989 and the heated atmosphere of next year's presidential election campaign would not be a good time for a Soviet leader to visit the U.S.

"So, there's only a finite amount of time and only a finite amount of patience with all this," he said. Shultz was told in Moscow that a Gorbachev visit to the U.S., which had been expected in November, required not only completion of the INF accord but progress on reducing strategic nuclear arsenals and strengthening the 1972 Anti-Ballistic Missile (ABM) treaty.

This could hamper development of the U.S. Strategic Defense Initiative (SDI), or Star Wars programme for a missile defence.

Asked if there would be no summit unless Gorbachev dropped his insistence that President Reagan modify his stand on SDI, Shultz replied: "He didn't say it just like you said it. So I have refrained from over-interpreting. And there is no point in painting him into a corner that he hasn't painted himself in."

Shultz, in the television interview, rejected a suggestion he was being "jerked around" by the Soviet leader. "I'm not getting jerked around. We are on a steady course, and he is having a hard time making up his mind about the summit. But nevertheless, as far as the various issues we are working on, we keep plugging away and we are getting there."



Chinese leader Deng Xiaoping, left, and Communist Party chief Zhao Ziyang at the opening of the 13th congress of the party in Beijing yesterday. Report, page 3.

Cabinet okays bill for possible closure of TV and radio

By ASHER WALLFISH
Jerusalem Post Reporter

Israel Television and Radio or their constituent departments could be closed down for 90 days, under the terms of a proposed bill by Education Minister Yitzhak Navon which the cabinet approved in general outline yesterday by 11 votes to three.

Despite the crisis within the Israel Broadcasting Authority caused by the two-week-old journalists' strike, the legislation may take months before going into effect. Navon will have to pilot it through the attorney-general's office and then through the Ministerial Committee on Legislation, before it is submitted for the three statutory parliamentary readings in the Knesset.

Navon explained that the complete or partial close-down would require an initiative by the management committee of the IBA with the approval of the responsible minister, in this case himself. The initiative could come as a response to the functional collapse of all or part of the IBA and the purpose of the shut-down would be to enable the management committee to restructure the ailing departments.

The three ministers voting against were Health Minister Shoshana Arbib, Finance Minister Moshe Nissim and Agriculture Minister Ariel Matar.

The bill would allow the government to shut down the IBA for 90 days if it fails to submit a restructuring plan within 30 days of being notified of its failure.

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Shamir tells ministers to cut down on trips abroad

By ASHER WALLFISH
Jerusalem Post Reporter

Prime Minister Shamir complained yesterday that cabinet ministers were travelling abroad too frequently and thus giving the public a bad impression.

At yesterday's weekly cabinet session, the prime minister said that the number of foreign trips had increased "in geometric progression lately" and he asked his colleagues to think twice before planning a trip and to ask themselves whether their journeys were really necessary.

"Please cut down on foreign travel from now on," he urged.

The cabinet listened wearily, and promptly went on, at Shamir's request, to approve journeys abroad for three ministers. Cabinet Secretary Elyakim Rubinstein declined to name them "for reasons of security."

During July and August, the traditional months of travel, between a quarter and a third of the cabinet were abroad at any one time, it is understood.

The last prime minister to ask cabinet members to spend more time at home working instead of travelling was Shimon Peres when he launched the economic recovery programme in 1984 during his term as premier. Ministers complied with his plea for only a few months.

One of the ministers told *The Jerusalem Post*: "I'm convinced that if Shamir were to speak privately to every minister seeking cabinet permission to travel, as many as half would cancel, postpone, or perhaps combine trips. But I never heard of Shamir approaching any minister on this score."

The cabinet yesterday approved the official visit to the U.S. of President Herzog from November 9 to November 15.

He noted that while Congress was friendly to Israel, it had done all it could to limit aid levels to Israel. Maintaining current levels, especially if there is a serious economic deterioration in the U.S., will be one of the major challenges facing Israel's friends in Washington, he said.

Speaking to defence reporters in Tel Aviv, the minister said that of the 6,000 Lavi workers some 3,000 could be absorbed by other divisions at IAI, but about 3,000 others would have to go. Of these, 800 temporary workers can be dismissed at no cost to IAI; some 400 over the age of 55.

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Muted concern over Wall Street fallout Stocks plunge in Tel Aviv; \$750m. lost in week

By SHLOMO MAOZ
and AVI TEMKIN
Post Economic Reporters

The Tel Aviv Stock Exchange plunged again yesterday, with the general share index, excluding arrangement bank shares, dropping by 5.63 per cent. Unlike last week's drop, stocks that fell yesterday included regular bank shares, which lost 0.66 per cent.

Unofficial calculations show that since the local stock exchange crisis triggered by last week's Wall Street crash, the total value of the public's share holdings has dropped by close to \$750 million. This includes bank shares in the arrangement which showed some gains last week.

Trading volume was heavy yesterday, totalling some NIS32m. There were 372 stocks whose prices dropped by as much as 10 per cent. Advances were registered in only nine stocks.

There is great concern in financial circles and in the government over expected developments in the coming days. Government officials are closely following changes in the international currency markets. Rumours of a new agreement by the seven leading industrialized nations to set a lower target value for the dollar have set off nervous shock waves in Israel's financial community.

On Friday there was heavy pressure on the dollar, which ended markedly lower compared to Thursday's close. In New York the dollar closed at around DM1.775, compared to DM1.81 a day before. Gains against the dollar were also registered by sterling and the Japanese yen.

Government officials are aware that if the dollar goes down by a significant amount Israel will have little choice but to devalue the shekel against all foreign currencies. The Treasury and the Bank of Israel have been planning to delay the devaluation for as long as possible. Bank of Israel Governor Michael Bruno stressed last Friday that he personally was against devaluing. But government officials have said the timing of the devaluation could be advanced if the dollar continued going down against European currencies.

The officials said the declarations by Bruno that the economy was not facing any immediate danger were designed primarily to soothe a nervous market. It is clear that the economy will be hurt by what has happened in the U.S., they said. Foreign aid is expected to go down. In addition, exports will undoubtedly suffer from an almost certain recession in the U.S.

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Rabin worried about Israel's ability to pay for its military needs in the future

By HIRSH GOODMAN
Post Defence Correspondent

Israel Aircraft Industries has been given until the end of March next year to fire 3,000 workers and completely shut down the Lavi programme, Defence Minister Rabin confirmed yesterday.

In general, the defence minister said, he was extremely worried about Israel's future ability to pay for its military needs. In particular, he was worried about the future of the American aid package given the current economic climate in the U.S.

There has been a real drop in the value of the dollar over the past two years, he said, and this has contributed greatly to the increased cost of manpower on Israeli weapons development projects.

He noted that while Congress was friendly to Israel, it had done all it could to limit aid levels to Israel. Maintaining current levels, especially if there is a serious economic deterioration in the U.S., will be one of the major challenges facing Israel's friends in Washington, he said.

Speaking to defence reporters in Tel Aviv, the minister said that of the 6,000 Lavi workers some 3,000 could be absorbed by other divisions at IAI, but about 3,000 others would have to go. Of these, 800 temporary workers can be dismissed at no cost to IAI; some 400 over the age of 55.

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Weizman confirms new talks plan

Post Diplomatic Correspondent
Minister-without-Portfolio Ezer Weizman yesterday confirmed that there is a new U.S.-Israeli proposal for Middle East peace negotiations and implied that it turns on U.S.-Soviet co-sponsorship of direct Israeli-Arab talks as an alternative to a fully fledged international conference.

Speaking on Army Radio yesterday morning, Weizman said the proposal provided for U.S. and Soviet roles in the talks but asked: What is the difference between having Soviet involvement as part of a Soviet-American auspices or as part of an international conference presided over by the five permanent members of the UN Security Council?

Weizman's comment was obviously directed at Prime Minister Shamir. Meanwhile, Foreign Ministry sources yesterday firmly downplayed the Jordan Television news report Saturday night which reaffirmed Jordan's commitment to the international conference proposal as the only tenable avenue to peace in the region.

The sources said that Jordan, in the countdown to the November 8 Arab summit meeting in Amman, will avoid exposing its flanks to possible Syrian attacks.

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Nablus news agency closed; contacts with Fatah alleged

By JOEL GREENBERG
Jerusalem Post Reporter

OC Central Command Amram Mitzna yesterday ordered the closure for two years of a Nablus news office run by a former correspondent of the *Al-Quds* newspaper who has been charged with membership in Fatah and with maintaining contacts with Abu Tayeb, the commander of the organization's elite Force 17.

Muhammad Amira, 47, of Kalil village near Nablus, was arrested on April 1 and has confessed to maintaining contacts with Fatah activists in Jordan and receiving money from the organization in return for activities carried out from his office, military sources said.

According to the charge sheet, Amira regularly received instructions by letter and by telephone from Abu Tayeb, and spoke once by phone with Khalil al-Wazir (Abu Jihad), deputy to PLO chief Yasser Arafat.

Amira's wife, Hayat, was sentenced in June to a brief prison term for her part in the contacts, which she maintained while he was held in administrative detention in 1985. She has since been released.

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IDF troops kill two terrorists in Lebanon

By DAVID RUDGE
Rosh Hanikra

Two terrorists were killed by IDF troops on the perimeter of the security zone in South Lebanon early yesterday morning, the army spokesman reported.

There were no casualties among the IDF soldiers involved in the clash, which occurred in the Ali Tahr hill range in the central sector of the zone.

It is believed the gunmen were trying to infiltrate the zone to plant bombs along roads used by IDF and South Lebanese Army troops. They were spotted in the early hours of the morning by IDF troops.

Kalashnikov rifles and explosive devices were found alongside the bodies of the two terrorists.

On Saturday, terrorists made a daylight attempt to infiltrate the zone. They were seen by SLA troops who opened fire with light weapons, forcing them to flee. No casualties were reported on either side in the exchange.

Two weeks ago, in the same region, SLA troops shot and killed a terrorist believed to have been on a spying mission.

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Big Power deal or no, it's business as usual at Europe's cruise missile building sites

AMSTERDAM (Reuters). — What does one do with a partially finished cruise missile base when Washington and Moscow are busy negotiating a disarmament accord to stop the weapons from ever arriving?

"Keep building. That's the answer at Woensdrecht Air Base in southern Netherlands, where a crane swings in the air to construct rocket shelters for 48 Cruise missiles. The shelters may never be used.

New prefabricated dormitories dot the site and about 500 of the 1,300 U.S. troops expected to be stationed at the base have already arrived, most of them in recent weeks.

"We are sticking strictly to our schedule. All contracts are being honoured. The negotiations have had no effect on us," said Dutch Air Force Captain Lou Baltussen, spokesman at Woensdrecht.

The Netherlands in 1985 became the last of five NATO countries to agree to deploy U.S. nuclear weapons, following Britain, Italy, West Germany and Belgium.

Since then, some \$145 million — \$50m. from NATO, \$60m. from the U.S. and \$35m. from the

Netherlands — have been spent on the base, tucked away in the countryside near the Belgian border.

Another \$40m., most of it American funds, are earmarked for logistics, maintenance, housing and recreational facilities at the site, which is scheduled to receive the missiles in the summer of 1988.

"Stopping the construction may be more expensive than continuing, because maintaining a partially finished site is more expensive than a finished site," Baltussen said.

There are other reasons as well. It took the Netherlands a decade of bitter internal debate before it agreed to deploy the missiles and the government seems reluctant to cancel the project prematurely.

"It is unlikely the deployment will actually take place. But the Dutch government does not want to give any impression of wavering on the nuclear issue and we want to show support for our allies," Dutch Defence Minister Wim van Eekelen has said.

Anti-Cruise campaigners, who have camped outside the base for years and punctured its security fence almost daily, say it is illogical to keep building.

But sceptics argue the work must continue because a hitch to prevent a superpower intermediate-range nuclear force (INF) accord could still occur.

Eekelen said construction was likely to stop either when the accord was signed or when it was ratified.

Stopping construction now would force experts to face the complex issue of alternative uses for the shelters.

"It really is premature to talk about alternatives," U.S. Embassy spokesman Leonardo Williams said.

In any case, not all the funds will be wasted. Most of the Dutch money at Woensdrecht was spent to upgrade the long-neglected base, once used mostly for repairing jet engines.

New roads, an improved electronic security fence and refurbished barracks are likely to stand the base in good stead in its other NATO tasks as a communications link and a future reserve air base.

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Call for modern civil service, drastic economic reforms

Chinese leader urges new 'big leap'

BELING (AP) — Acting Communist Party chief Zhao Ziyang opened the first party congress in five years yesterday, calling for creation of a modern civil service, more party accountability and more far-reaching economic reforms to save China from poverty.

Speaking from the podium of the Great Hall of the People, Zhao also praised senior leader Deng Xiaoping, the man who has drastically altered the course of socialism in China, for his "foresight and sagacity." The speech for the first time implicitly gave Deng status equal with Mao Tse-tung as a leader who initiated a "historic leap" in Marxist ideology.

Without mentioning Deng by name, Zhao listed Deng's economic and political reform programme as the second such leap in Chinese history. The first leap was Mao's promotion of a peasants' revolution instead of the classic Marxist uprising by urban workers.

Deng, 83, opened the 13th national party congress, attended by almost 2,000 delegates representing China's 46 million party members. Deng was flanked by the other four members of the Politburo standing committee, including Hu Yaobang, former party chief who was ousted in January for failing to stem pro-democracy student unrest.

Zhao, 68, is expected to be confirmed as the new party general secretary at a central committee meeting immediately following the congress. In other personnel changes, Deng and other members of the standing committee except for Zhao are expected to step down to make way for younger, more reform-minded leaders. The 20-member Politburo is also expected to take on a younger look.

The premier devoted more than half of the 2.5-hour speech to the nation's nine-year programme of economic reform, which he said is "the only process through which China can be revitalized." Zhao stressed that "we lost too much time in the past" due to attempts to thrust radical socialism on China's one billion people.

This approach failed, he said, in a "backward" nation where nearly one-quarter of the population is illiterate or semi-literate, 700 million peasants use hand tools to make a living and many industries are "even a century

behind present-day standards." He said that while "the capitalist road is a blind alley for China," the nation will be in a "primary stage" socialism, implying continued stress on a commodity economy, through the middle of the 21st century.

China's main task will be to increase production, introduce modern technology, open its doors to foreign ideas and investment, and strive to meet rising consumer demands, he said. Zhao backed such ideas, anathema to China a decade ago, as private housing, independence for factory managers, the issuance of stocks and private enterprise.

He said steps must be taken to control "excessively rising prices" brought on by consumer demand while removing price controls on basic commodities that have led to speculation, corruption and shortages of goods.

A major portion of the speech was devoted to political reforms that Deng and other leaders have said would be the main work of the congress.

"Our current political structure, taking shape during the revolutionary war years ...

no longer conforms with our drive for modernization ... under conditions of peace," Zhao said. "Without reform of the political structure, reform of the economic structure cannot succeed." He proposed creation of a professional civil service under which government employees not engaged in political work would win jobs on the basis of an exam. Wages and promotions also would be based on merit.

The report, 59 pages long in its English translation, contained only four brief references to "bourgeois liberalization," or Western liberal thought, the target of a major conservative-led campaign. The campaign began in January after the pro-democracy demonstrations by students that led to Hu's ouster.

Zhao's speech put bourgeois liberalization on a par with the "ossified" thinking of those who oppose reform, saying China must avoid both extremes. He assured intellectuals, who have felt threatened by the conservative campaign, that their contribution is needed for modernization.

Saudis want sanctions against Iran regime

RIYADH (Reuters) — Saudi Arabia yesterday called for sanctions against Iran as the Gulf Arab states tried to hammer out a unified stance against Iranian attacks on Kuwait.

Ministers of the six-state Gulf Cooperation Council (GCC) met in the Saudi capital after Kuwait had been hit by missile fire three times in the past 10 days, including one strike last Thursday that knocked out of action its offshore supertanker loading terminal.

Kuwait and the U.S., which has been providing naval escorts for American-flagged Kuwaiti tankers, say the missiles were Chinese-designed Silkworms fired by Iran.

Saudi Arabia, one of Kuwait's more outspoken supporters in this crisis, issued its call for anti-Iran U.N. sanctions outside the framework of the GCC diplomatic meeting.

"We are hoping for a move by the UN Security Council to implement resolution 598, and we very much hope for sanctions being imposed against the Iranian regime," Saudi foreign minister Prince Saud al-Faisal said in a newspaper interview. "Iran has violated international charters and attacked the sovereign-

ty of Kuwait and continues to escalate the war against sister-state Iraq," he said.

Resolution 598, passed by the Security Council last July, called for a cease-fire in the seven-year-old Iran-Iraq war and said sanctions could be imposed against the party that refuses.

The U.S. favours an international arms embargo against Iran, but that alternative may not win enough support.

Foreign ministers of the GCC — grouping Saudi Arabia, Kuwait, Qatar, Oman, Bahrain, and the United Arab Emirates — sought their own consensus on the Kuwaiti emergency.

GCC states have given varying degrees of support to Iraq in the war but have been anxious to avoid any clash with non-Arab Iran, which is militarily much stronger and just across the 120-mile-wide gulf.

Gulf diplomats said that military action was clearly out of the question for the GCC, but that Saudi Arabia wanted the council to condemn Iran as an aggressor and set the stage for a broader condemnation at a planned Arab summit in Jordan on November 8.

Austrian leaders meet to combat anti-Semitism

VIENNA (Reuters) — Austria's top political and religious leaders attended a ceremony yesterday aimed at combating a surge of anti-Semitism said to have been stirred by the election of Kurt Waldheim as the country's president.

Paul Grosz, president of the Austrian Jewish community, told the gathering in the former Habsburg Palace in Vienna that Austria was in need of liberation from its past under Nazi occupation.

"Knowledge will make us free, but psychological repression will make us ill," he said.

Grosz and the Catholic and Protestant lay organizers of the "Shalom for Austria" ceremony have expressed alarm about an increase in anti-Semitic feeling which they say accompanied and followed Wald-

heim's election in June 1986.

Chancellor Franz Vranitzky, Foreign Minister Alois Mock, Catholic Archbishop Hans Hermann Groer and Chief Rabbi Paul Eisenberg attended the ceremony.

Waldheim, described by his Austrian critics as a symbol for the country's lack of honesty about its past, was not invited.

Former Austrian general Emil Spannochli said that he and many others who fought for Hitler did not know until the end of World War II that their bravery and love of homeland was used as an "instrument of Satan."

For not realising that the mass extermination of Jews in the Holocaust was carried out while they fought at the front, they bore a "heavy historical guilt."

Security force sent to Yugoslavia's 'Albania'

BELGRADE (Reuters) — Anti-riot police were sent to Yugoslavia's troubled Kosovo province yesterday as tension built up among the area's Albanian ethnic majority and minority Serbs, Belgrade police said.

Earlier the state news agency Tanjug reported that "extraordinary measures" had been declared in Kosovo and a special unit of federal police including 380 men and armoured anti-riot vehicles were sent to the area because Yugoslav security was seriously endangered by the situation there.

It is the first time such forces have been dispatched since Albanian nationalist riots there in 1981.

Thousands of Serbs have staged street protests in the past two weeks in Kosovo, after a newspaper published comments by an ethnic Albanian leader who suggested the increasing number of rapes of Serbian women by Albanians could be reduced if Serbian women worked as prostitutes.

Last week the authorities took the first steps to expel the leader and 13 other ethnic Albanian Kosovo politicians from the ruling Communist party and their political posts.

The action seemed likely to upset the Albanian community, which outnumbered the mainly Serb non-Albanians there by more than eight to one.

The presidency, Yugoslavia's collective head of state, made the move after assessing the political and security situation in the province.

Sources in the provincial capital Pristina told Reuters they had heard of no disturbances yesterday but noted there had been many protest marches in recent days.

Kosovo, inhabited by 1.7 million ethnic Albanians and 200,000 non-Albanians, mostly Serbs, is an autonomous province of Yugoslavia's biggest constituent republic, Serbia. Albanian nationalists are demanding their own republic on the territory.



Taipei was flooded after a typhoon which struck Taiwan at the weekend. (Reuters)

Death toll 50 in S.African inter-black violence

JOHANNESBURG (AP) — Three blacks were stabbed to death, another was seriously injured in a petrol bomb attack and three houses were burned down as violence continued in the Natal provincial capital, police reported yesterday.

The deaths in the black townships around Pietermaritzburg brought to at least 50 the number of people killed in five weeks of feuding among anti-apartheid organizations accompanied by a wave of looting, murder and rape.

The Sunday Times, South Africa's largest newspaper, reporting

from the townships last week, said that blacks have been organized into "defensive units" while groups of women, children and elderly are crowded into a central safe area patrolled by youths.

The paper said residents who have to cross the territory of a rival group face attack, but many of the deaths occur in planned assaults and ambushes by gangs armed with sharpened spears, machetes and axes.

Local aid agencies and journalists say the death toll could be twice as high as that given in the daily unrest reports issued by the police.

LATE NEWS

Indians finally take Jaffna

JAFFNA, Sri Lanka (APF) — Indian troops yesterday captured this northern stronghold of the Liberation Tigers of Tamil Eelam (LTTE), finishing off the last pockets of major rebel resistance, military commanders said.

Brigadier Manjit Singh said Uduvula in Jaffna's east had fallen to an advancing column of infantry, marking the end of the first phase of the Indian offensive, codenamed "Pawan" (air), to disarm the LTTE rebels.

The LTTE's leader, Velupillai Prabhakaran had fled into the jungle on his northern peninsula after Indian troops had advanced from five directions to take control of Jaffna town, he added.

Reporters waiting two kilometers from the battle-torn city heard an Indian military radio message say: "It is all over. Uduvula has fallen."

Some 25 kilometers away at Palaly airport, an external affairs ministry spokesman said New Delhi was now ready to begin a political dialogue with LTTE rebels if they laid down their arms and accepted the July 29 Indo-Sri Lankan peace pact aimed at ending four years of separatist violence.

He said: "An offer has unilaterally come from most of the LTTE cadres," but refused to disclose details of their message, amid reports that some rebels wanted to accept an Indian amnesty offer and join the "democratic process."

U.S. wins bridge title

OCHO RIOS, Jamaica (Reuters) — The United States won the men's world bridge championship, fending off a late challenge from Britain to retain the Bermuda Bowl by 354 points to 290.

Britain was only 14 points adrift after the Saturday afternoon session following a stunning rally.

The United States and Britain were followed in the final order by Sweden, Taiwan, Pakistan, Canada, Venezuela, Brazil, New Zealand and Jamaica.



scheduled with all six Republican presidential hopefuls on Tuesday, just before going to the hospital to visit Mrs. Reagan. He cancelled it, meeting instead with top economic advisers, after which he ordered "discussions ... with the bipartisan leadership of the Congress" to seek a budget agreement. On Thursday afternoon, with the market again headed down, Reagan agreed to meet with Democratic leaders of Congress to start shaping a budget that would "keep spending and taxes as low as possible" — a change from his previous vows to veto any tax increase at all.

The week that was all pressure for the president

By W. DALE NELSON

WASHINGTON (AP) — For President Ronald Reagan, it was a week that began with his wife in the hospital, his Supreme Court nominee already doomed in the Senate, the stock market falling and a new crisis in the Persian Gulf.

There was one ray of hope, though. Secretary of State George Shultz was on his way to Moscow, and it was generally expected that a date would be set for Soviet leader Mikhail Gorbachev's long-delayed visit to the United States.

By the time the week ended, the president had brought his wife, Nancy, back to the White House, and she was recuperating well from

breast cancer surgery. From the Kremlin to Wall Street, however, the rest of the news was bad.

Reagan's nomination of Judge Robert Bork to the high court was rejected by a 58-42 vote, even more than expected. The market had plunged a record 508 points. Iran remained belligerent after the U.S. shelled an Iranian oil platform in retaliation for a missile attack on a U.S.-flagged tanker.

Perhaps the cruelest blow of all came from Moscow, where Shultz told the world that Gorbachev was unwilling to set a date for a summit meeting with Reagan in the United States, to wrap up a treaty on inter-

mediate-range missiles, until Reagan abandons his adamant support of a space-based nuclear defence system.

How did Reagan react to it all? Outwardly, he was as chipper as ever, saying, "I'll remain hopeful that we can have it."

Of the stock market turmoil, he said it was worrisome, but no reason to fear a "recession or hard times at all." Elsewhere in the White House, however, there was rueful shaking of heads.

"It has been a week, hasn't it?" asked chief of staff Howard Baker Jr.

When Reagan left the White House on October 11 to visit his wife at the hospital, he refused to answer shouted questions from reporters about Iran's Silkworm missile attack on the American-registered tanker Sea Isle City off Kuwait.

Actually, Reagan had made his decision on how to retaliate the previous day after meeting with his national security advisers. The U.S.

would knock out an oil platform used for Iranian military operations in the central Gulf.

On Monday, four U.S. destroyers struck the Iranian platform with 1,000 rounds of heavy gunfire and set it ablaze in what the administration called "a measured and appropriate response" to the attack on the Sea Isle City. Iran's UN Ambassador Saidrajaie Kahrassani said the U.S. had opened "an all-out war against my country." All-out war or not, it wasn't the lead story in the next day's morning newspapers. The big headlines went to the stock market.

The Dow Jones Industrial Average had plunged a record 108.36 points the previous Friday. But that was nothing to Monday's rapid slide of 508 points.

Some economists predicted a recession, and political observers saw trouble ahead for the Republicans, who have made the "Reagan recovery" of the economy a campaign theme.

The president had a meeting

Emergency in Tahiti after riot

PARIS (Reuters) — A curfew and a state of emergency have been imposed for the first time on the French south Pacific island of Tahiti following clashes between striking dockers and police, a French minister said yesterday.

Overseas Territories Minister Bernard Pons said in a television interview that about 50 people had been arrested in the capital Papeete after riots on Friday in which demonstrators burned shops and cars and injured 26 people.

The dock workers went on strike on Thursday for the third time this year, protesting that staffing levels for loading ships sailing to and from the nearby nuclear testing site on the atoll of Mururoa were too low.

Pons said fighting began when police intervened to "liberate" the port, paralyzed by the dock strike.

Residents on the island contacted by telephone from Paris said calm had been restored on Saturday after six hours of fighting. They said the violence had not spread to other parts of Tahiti, a popular tourist resort for hundreds of thousands of visitors every year.

"Everything is calm here now, and lots of police and soldiers are patrolling the streets," one resident said.

Man charged with anti-Semitic vandalism

PROVIDENCE, Rhode Island (AP) — A 32-year-old man was held in lieu of \$500,000 bail on Thursday on charges stemming from vandalism against two synagogues and two Jewish-owned businesses.

Frank Almeida, who was arrested Wednesday night, was charged with four counts of ethnic or religious intimidation, a felony, and was arraigned Thursday in district court, where police said they had "a strong case" against Almeida.

Monks told don't sell Bibles on Sunday

BUCKFASTLEIGH (Reuters) — Monks who sell Bibles on Sundays at one of Britain's beauty spots have been warned by local officials that they are breaking the law.

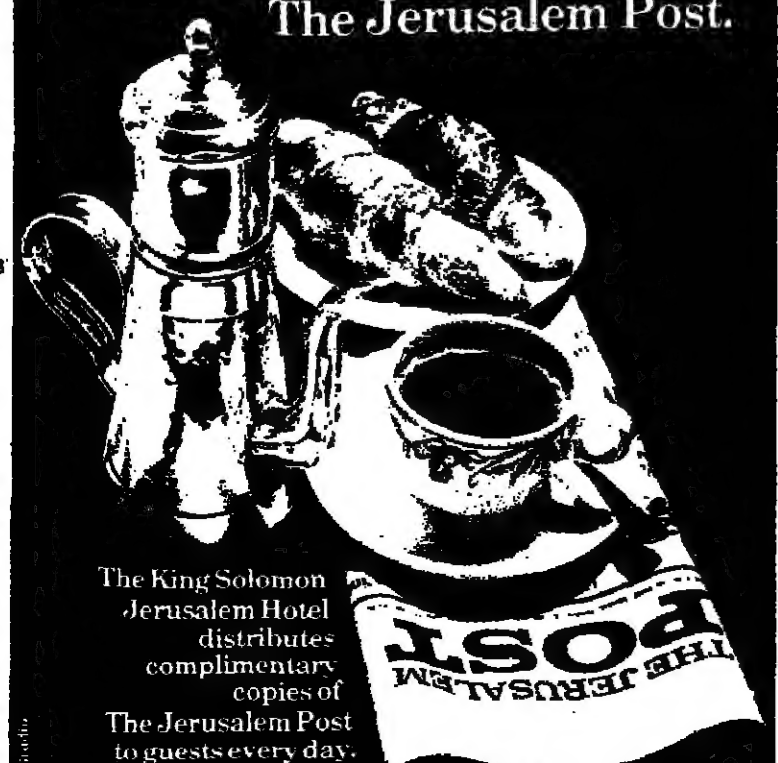
The 40 Benedictine monks at Buckfast Abbey on the edge of Dartmoor, southwest England, have fallen foul of Britain's controversial Shops Act, which restricts the carrying on of business on Sundays.

The Teignbridge District Council also reprimanded the monks for selling other religious items from their souvenir shop. It has told them that they could be prosecuted.

To Ori and Carol Pelled
Congratulations on the
Birth of Daniel
and to Zaira and Haim Pelled
on the birth of their grandson.

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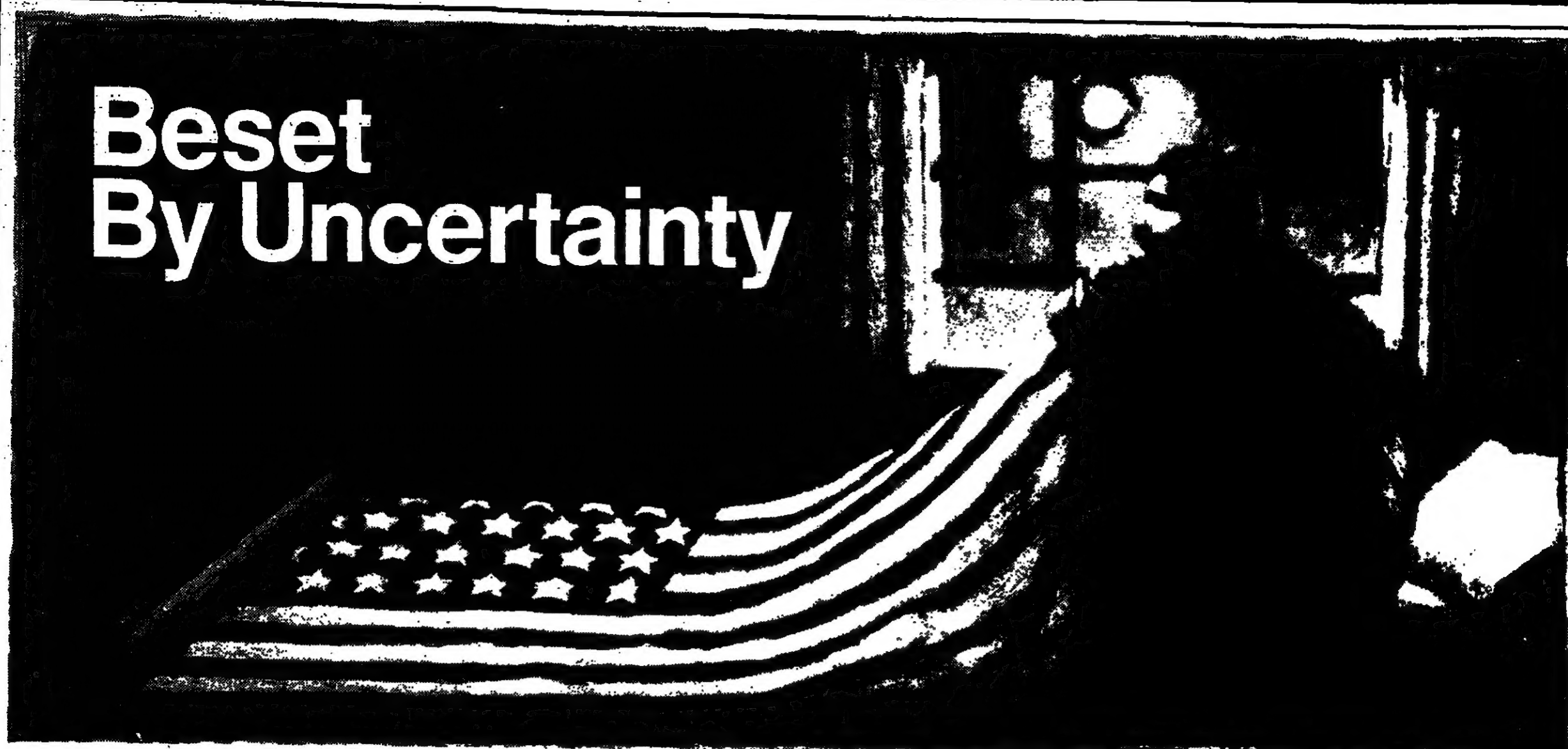
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WEEKLY REVIEW

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By Uncertainty

David Shanten

A Nation's Fears for Peace and Prosperity

By R. W. APPLE JR.

If there is one quality that sets Americans apart from most peoples, it is our optimism. But the nation's inherent belief that every problem has a solution and that things will turn out for the best was sorely tested last week by a rat-tat-tat of events that suggested even to the sunniest among us that things might be sliding out of control.

Neither peace nor prosperity seems so assured today as it did a scant seven days ago, before the twin jolts of escalating violence in the Persian Gulf and plummeting prices on Wall Street on Monday and before the news from Moscow on Friday that there was no arms agreement yet and no arrangement for a November summit meeting that had seemed a certainty.

The paroxysms in the world's financial markets, bad enough in their obliteration of billions of dollars of wealth for individuals and universities and pension funds, were perhaps even worse in their seemingly

irrational nature. In an era of specialized expertise and of a computer-driven explosion in information, the experts and the computers neither predicted the sickening collapse of stock prices or explained it with any conviction or consistency.

Some Americans, especially the victims of the pockets of blight that have persisted amid the Reagan prosperity, saw a certain rough justice. They tended to gloat on the prospect of young people with \$400,000 salaries suddenly shorn of their BMW's, their car phones, their million-dollar cooperative apartments. An assembly-line worker in Pontiac, Mich., Ben Hammer, encapsulated the feeling when he told a reporter, "It's justice week for the have-nots."

But for others, that seemed a short-sighted approach. They sensed that the stock market's terrible vulnerability was also theirs; after all, that arcane mathematical abstraction called the Dow-Jones industrial average has been made as familiar as the time check and the weather forecast by radio and television. Even for those without investments and without economic sophistication, "up-up-up" eventu-

ally becomes synonymous with good times and "down-down-down" with bad. And there is some substance in such folk wisdom. Neither corporations nor individuals are likely to keep spending as liberally if they are deeply troubled about what they may be worth next month or next year, and slower spending can lead rather rapidly to a recession.

For people in their 20's and 30's, 1987 may assume as much emotional freight as 1929. They grew up with no direct experience of the Great Crash and the Great Depression, of course. Fewer and fewer people now are brought up with tales of savings wiped out and careers destroyed. Such searing experiences are never forgotten; brokers in Florida reported last week that few retirees were caught this time with their money in the stock market.

Looking for Leadership

Assaulted by uncertainty, Americans big and small looked to the White House for leadership, and they found little. President Reagan at first sounded like Herbert Hoover. Hoover said in 1929 that "the

fundamental business of the country... is on a sound and prosperous basis"; Mr. Reagan's versions ranged from "the underlying economy remains sound" to "there is nothing wrong with the economy." There was no television speech to rally the country like the President's moving elegy on the day the Challenger spacecraft was destroyed. For most of the rest of the week, the White House put out wildly conflicting statements on Mr. Reagan's willingness to address tax increases as well as spending cuts in trying to reduce the budget deficit.

And when the President finally announced in a news conference Thursday evening that he would put taxes on the negotiating table with Congress, he resembled a small boy who, having been browbeaten by his parents into eating broccoli, holds his nose while doing it. The performance did little to reassure the markets. But White House insiders said that getting Mr. Reagan to go even as far as he did had taken an all-out effort by both Howard H. Baker Jr., the White House chief of staff, and James A. Baker 3d, the Treasury Secretary, two noted persuaders.

The very next day, the President was bashing the Congress again for creating economic uncertainty. In his radio speech yesterday, he said that "all sides must contribute" to the process of deficit-reduction, but he also pictured the Democrats as the creators of ever-larger deficits. Those deficits are blamed by many Wall Street analysts for the market turbulence; cooperation between the White House and Capitol Hill is seen as a prime requisite for confidence-building.

A deal between the President and the Democrats who control the Congress now seems at least possible, but it is unlikely to trim the deficit much more than the Gramm-Rudman-Hollings law would have done anyway. Mr. Reagan seems more like a lame duck than ever, and Washington's vituperative political gossip has begun using the dreaded word "irrelevant" about him. Understandably enough, given its 30 years in the wilderness following the last Wall Street cataclysm, his party is apprehensive and increasingly divided as to both tactics and strategy, both for now and for the Presidential election of 1988.

Prospects Overseas

The President's and the Republicans' best chances for a comeback lie overseas. But while the naval bombardment of an oil platform in the Persian Gulf went down well with the American public, according to public opinion polls, it seems to have increased rather than diminished the level of violence in the region and that may hurt in the long run. The goal was to deter Iran from using its Chinese-made Silkworm missiles, but others were launched almost at once. They hit targets in Kuwait, the little country that United States operations in the Gulf were designed, in part, to protect. (The Iranian view of the Gulf war, page 3.)

How could Washington guarantee that American forces would not be drawn in ever more deeply? For that matter, what use were any conventional calculations, given Iranian zealotry? The President made his goals crystal-clear in the Grenada invasion, admittedly a much simpler operation, but few Americans know much of either the aims or the options in the Gulf. In this matter as in others, such as the failed nomination of Judge Robert H. Bork to the Supreme Court, Mr. Reagan has wasted his most valuable asset — his reputation for calm, common-sense leadership. (The final vote on Judge Bork, page 4.)

An agreement to scrap short- and medium-range nuclear missiles and a schedule for a summit conference in Washington next month to sign it would have helped to dispel last week's anxiety, and until the last minute, the Administration thought it would get both. Though progress was made, Secretary of State George P. Shultz was not quite able to wrap up the missile agreement during his two-day visit to Moscow, and Mikhail S. Gorbachev, the Russian leader, stunned Mr. Reagan by saying he wasn't willing to set a date for a visit until the deadline over the "Star Wars" defense system had been broken.

The gravity of the setback was unclear, in a policy sense. But its psychological impact was disquieting to Washington and to the country as a whole because both had been assured by experts that Mr. Gorbachev was coming, just as both had been told that stock market panics were but memories of a distant, ignorant past. Even Mr. Reagan, ever cautious in dealing with the Russians, had waxed eloquent about inviting the Soviet leader to visit "our 1,500-foot adobe shack that was built in 1872, and let him see how a capitalist leader spends his holidays."

Nothing seemed very certain any longer, and that is not a condition that America has ever found comfortable.

... as Gorbachev Jolts
Reagan's Hopes for
A Summit This Year

By DAVID K. SHIPLER

THE patient, plodding tempo of Secretary of State George P. Shultz's diplomacy has just carried him gamely through the Middle East and the Soviet Union in nine frustrating days, yielding only subtle accomplishments amid the overwhelming impression of defeat. He reported no progress in his efforts to revive the Middle East peace process. And in Moscow, he was stunned by Mikhail S. Gorbachev's refusal to set a date for visiting Washington. The Americans thought the Soviet leader had agreed last month to schedule the trip this year.

On Friday, Mr. Gorbachev set difficult conditions for holding the meeting with President Reagan, seeming to insist that the President must first agree to limit testing and development of his space-based defense weapons program, "Star Wars." This Mr. Reagan has repeatedly refused to do, leading American officials to speculate that the Soviet leader was using the summit to put pressure on the President. Yesterday Mr. Reagan insisted that he was "in no hurry, and we certainly will not be pushed into sacrificing essential interests just to have a meeting."

Mr. Gorbachev kept the negotiations moving by presenting new proposals for ceilings on various categories of long-range nuclear weapons. But their effect would be to require a restructuring of United States strategic forces by sharply reducing submarine-launched ballistic missiles, just as the American proposals would require the Russians to reduce severely their overwhelming reliance on land-based missiles.

However, the disappointment over the absence of a summit date masked the progress made on arms control, an exemplary result of Mr. Shultz's gradual, persistent approach. A timetable was agreed upon for dismantling Soviet and American medium-range and shorter-range missiles, and the dispute over 72 West German Pershing missiles seemed to be settled. A few problems remained in establishing verification procedures, but Mr. Shultz said he was sure a treaty could be completed and signed without delay. The Soviet Foreign Minister, Eduard A. Shevardnadze, also emphasized that important progress had been made toward completing this missile accord.

Yesterday in Brussels, Mr. Shultz told the NATO foreign ministers: "I think it would be good to have it at a summit, but if there isn't a summit to do it in a timely fashion, we'll look for some other way to do it." Sir Geoffrey Howe, the British Foreign Secretary, expressed "disappointment" about the summit setback (Chance to alter a grim view of U.S., page 3), but

he added that finishing the treaty was now "a small-print deal."

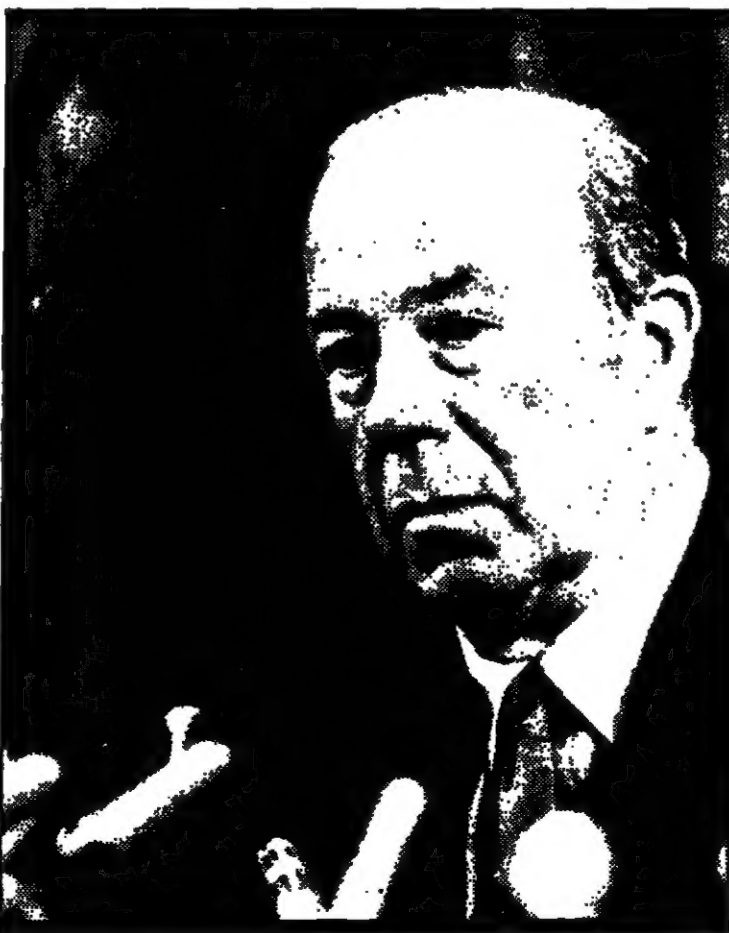
Surprise seems to be a specialty of Mr. Gorbachev's. But there are rarely surprises from Mr. Shultz. His persistent, incremental technique of chipping away at international problems has earned him a reputation of stolid predictability. At times, the process of negotiation seems as important to him as the goal of agreement. And unlike Henry A. Kissinger, who delighted in dramatic shuttle diplomacy, Mr. Shultz displays remarkable tolerance for the small, seemingly inconsequential steps of which gradual progress is made.

He illustrated the point with a metaphor as he sat on his plane en route to Israel. Searching for a formula for Middle East peace, he said, "is sort of like there's a room, and you've got furniture in it and some paintings on the wall, and that's all you've got. And people have been struggling with that room for years, and that's all they've got. So you try to rearrange the furniture. Sometimes if you rearrange it, put the pictures on different walls and so on, it looks different, it has more appeal." A reporter remarked: "The Shultz shuffle." And Mr. Shultz laughed.

For the last several years, Arab-Israeli peace efforts have been stuck on what King Hussein of Jordan calls "modalities." King Hussein is a vulnerable leader of a weak country, and in a region where negotiating with Israel is still taboo, he feels he needs an international conference with Soviet participation to legitimize direct talks with Israel about the future of the West Bank. Yet, it is an open secret that the King has already spent hours in face-to-face meetings with Israeli officials. He is searching for a way to do openly what he has been doing privately for many years.

Shrinking the Peace Table?

But Israel, governed since 1984 by an odd coalition of political rivals, is divided and therefore paralyzed on the international conference idea. Foreign Minister Shimon Peres of the Labor Party, meeting secretly in London with King Hussein last spring, came to an understanding with him on the structure and limited powers of a conference. But Prime Minister Yitzhak Shamir, who heads the Likud bloc, rejects a conference as an invitation to undue Soviet influ-



A disappointed Secretary of State George P. Shultz in Moscow announcing the failure to arrange a summit date.

ence over the process. They are at such odds with one another that Mr. Shultz was forced to meet with them separately on this trip.

The latest rearrangement of the furniture is an idea for a limited "conference" that would include only the United States and the Soviet Union, under whose auspices Israel and Jordan could negotiate. But Mr. Shamir reportedly attached such stringent conditions to accepting Soviet participation — including complete freedom of emigration for Soviet Jews — that it struck American officials as little more than a new way for Mr. Shamir to say no.

Underlying the disagreement over procedures is a substantive disagreement over what is negotiable. Mr. Peres has indicated a willingness to trade some control of territory for a peace treaty, while Mr. Shamir is devoted to perpetual Israeli sovereignty over the West Bank. Indeed, so little hope was attached to the latest plan that Mr. Shultz did not even raise the issue with Mr. Shevardnadze or Mr. Gorbachev, leaving it to lower-level negotiators.

The Jerusalem Post published a front-page photograph last week of Mr. Shultz climbing out of a hotel swimming pool. Next to him was a sign that read, "Deep Water." But at least he was emerging.

Dispute Over the Contras

The World

For Bishops and Sandinistas, There's No Reconciliation

By STEPHEN KINZER

MANAGUA, Nicaragua — LEAFLETS circulating in some Nicaraguan war zones show a photograph of President Daniel Ortega Saavedra shaking hands with the Roman Catholic primate, Miguel Cardinal Obando y Bravo. Behind the two men, who have been vigorous adversaries for years, is a Nicaraguan flag. The message is simple: "Come home. Accept amnesty."

The leaflets are intended to persuade foot soldiers in the United States-backed contra guerrilla force to surrender and return to civilian life. The photo was taken on the day that Mr. Ortega named Cardinal Obando to head the National Reconciliation Commission, which was established under terms of the regional peace agreement, to verify compliance. The picture seemed to suggest that the two men had reached a significant agreement — which is far from the truth.

The accord provided for Catholic church representation on the commission, but its bishops, much to the Sandinista Government's consternation, have refused to call on the contras to stop fighting. They maintain, as they have for years, that the contras are motivated by legitimate grievances. Their view directly contradicts that of the Government, which insists that the contras are a tool of the United States rather than an expression of genuine discontent. As the argument continued, more young Nicaraguans were dying in intense fighting. Hundreds have been

killed since the peace accord was signed on Aug. 7. It is to begin to take effect Nov. 7. In addition to establishing the reconciliation commission, the agreement calls for freedom of the press, political freedom and an end to support for guerrillas fighting to overthrow neighboring regimes. When Mr. Ortega named Cardinal Obando to head the reconciliation commission, he raised hopes that the long-running feud between the bishops and the Sandinistas might be easing. The Government allowed one of Cardinal Obando's principal advisers, the Rev. Bismarck Carballo, to return from forced exile, together with another priest. Then it allowed Father Carballo to reopen the Catholic radio station, which had been shut since January 1986.

Letters to the Cardinal

As it has turned out, however, these steps have not been followed by broad new concessions to the church. Indeed, the Government has refused to advance further in meeting the hierarchy's demands. It has declined to lift bans on 18 other exiled priests and last week, the Interior Ministry forbade the church radio station to broadcast news. The notification came one minute before the first news program was to be transmitted.

Curbs on freedom of expression for the station are only a small part of the continuing conflict. At the bishops' headquarters in Managua, a new pile of mail arrives each day consisting mainly of letters from relatives of prisoners. The writers ask Cardinal Obando to transmit their cases to the Government in

hopes that their relatives will be released as part of an amnesty tied to the peace accord. Church officials have thus far presented the names of about 4,000 prisoners to authorities, and are asking that everyone in jail, except people convicted of common crimes, be freed.

"It would alleviate the suffering of many Nicaraguan families if the Government would issue a broad amnesty," the Cardinal and the bishops said last month. "Every one of these prisoners has a mother, father, wife, children, brothers, sisters and other relatives, and the hatred that grows within them is becoming institutionalized in the country, a blind current of blood and rancor which threatens to submerge us in an interminable chain of vengeance."

The Government takes a very different view. It says the prisoners, who include several thousand former members of the defeated National Guard and thousands of others convicted by Sandinista "people's tribunals" on charges of aiding the contras, are enemies of the people. Sandinista groups have marched to oppose amnesty for the prisoners and senior leaders have spoken against any large-scale release.

Unilateral Cease Fire

Interior Minister Tomás Borge said the prisoners were paying for great amounts of suffering they had inflicted on their countrymen. "This river of blood, this lake of tears, this pain requires our deepest respect," Mr. Borge said in a speech in Matagalpa last Sunday.

The bishops are also directly at odds with the Government over the



Miguel Cardinal Obando y Bravo heads Nicaragua's reconciliation panel, but he opposes the Sandinistas.

question of how to end the fighting. The Sandinistas have vowed never to negotiate with the United States-backed contras, so Cardinal Obando has offered to serve as an intermediary. But the Government says that indirect negotiations are no more acceptable than direct negotiations, and has added that it will not make use of the Cardinal's services. Cardinal Obando, meanwhile, is in Rome attending a synod of bishops. Aides said he was prepared to return if called, but they did not seem to be

expecting such a call.

The Government has sought to end the war by decreeing unilateral cease-fires in small zones, and by asking priests and other civilians to travel to contested areas to persuade contra soldiers to turn in their arms. The insurgents have made clear that such missionaries are not welcome, and have detained at least three of them. Instead of condemning the insurgents, Nicaragua's bishops have insisted that the contras be invited to a new round of talks among political

groups in Nicaragua. And in their most recent statement, the bishops called for an end to "the forced recruitment of our young people" into the army — just as the army was in the midst of drafting 30,000 men born in 1960. These stands are considered close to treason by some Government leaders. Mr. Ortega normally refers to the contras as criminal mercenaries. But to the bishops they are simply "Nicaraguans who have taken up arms against the Government."

'Half Democracy' Works Its Way

In Japan, the Less Popular Man Wins



Noboru Takeshita was hand-picked as Japan's next prime minister.

By CLYDE HABERMAN

TOKYO — JAPANESE political scientist, Keiichi Matsushita, wrote a few years ago that Japan should be considered a "half democracy."

This is a country, he noted, where factions of the perennially ruling party accept on faith their right to take turns at the helm. Political reality, Professor Matsushita said, is that Japan is "a one-party dictatorship that permits the existence of opposition parties."

While Japanese may shrink from the notion that they do not enjoy full democracy, the election last week of their next Prime Minister showed how little they have.

If opinion polls were even remotely accurate, they regarded their new leader, Noboru Takeshita, as the least popular and least competent among three main candidates for the post. But then, they never were asked for their opinion by the people who really count, the elders of the Liberal Democratic Party.

Their assignment was to choose a new party president, who automatically would become Prime Minister. They could have put the matter to a vote of the 445 Liberal Democratic members of Parliament, but decided against it out of fear that a ballot would create lingering divisions. Instead, the three candidates tried to strike a deal

among themselves.

But they failed. Their final solution was a Liberal Democratic version of one-man, one-vote. The one man was the incumbent Prime Minister, Yasuhiro Nakasone, who was given free rein.

His vote was for Mr. Takeshita, an old-style politician who is in many ways Mr. Nakasone's opposite — a wheeler-dealer who believes in cautious compromise and considers it best not to speak his mind unless absolutely necessary. Mr. Takeshita will be formally designated party president on Oct. 31, a day after Mr. Nakasone's term expires, and installed as Prime Minister by Parliament on Nov. 6.

As Japan's leader, he will hold one of the most important positions of dubious influence in the non-Communist world. His influence is dubious because it is not particularly personal. It is the party as a whole, along with an entrenched Government bureaucracy, that determines Japan's direction. The Prime Minister basically serves as chairman of the board.

Although many Japanese have found it pleasant to have a relatively vigorous leader like Mr. Nakasone, they also recognize that the country has got along very well under many leaders who wield great power at home and abroad while remaining, personally, faceless men, although faceless does not mean powerless.

In no other major industrialized democracy is there a ruling clique like the Liberal Democratic Party, which has governed for 32 years and

shows signs of being able to stay on for 32 years more. Virtually the only significant function for the opposition — a weak collection of Socialists, Communists and centrists backed by a Buddhist sect — is to seek out and check potential ruling-party excesses.

The Japanese requirement for broad consensus means that anti-Government forces cannot be taken for granted on important issues. Sometimes, they can combine to unravel Government initiatives, as they did earlier this year when, led by the Socialist Party, they killed a proposed new sales tax.

Still, true power lies with rival factions of the Liberal Democratic Party, unified by personal loyalties and self-interests, not ideology. Basically, theirs is ward politics conducted on a national level.

The party's strength is its flexibility in adapting to new national needs and to the demands of members who cover a spectrum from right-wing ultra-nationalists to moderate liberals. In the 1970's, it yielded to public pressure for expanded welfare systems and other expensive services. In the cost-conscious 1980's, it has preached belt-tightening, turning over to private hands such important agencies as the deficit-hounded national railways.

The Price of Rice

Over the years, Liberal Democrats have been especially adroit in juggling the competing interests of big businesses, small enterprises, farmers, exporters, city dwellers and suburban commuters. Lately, the ruling party has begun to turn away from the farm, its traditional support base, and to speak out clearly in behalf of urban consumers.

An example of this came last summer, when the Government cut its subsidy to rice farmers by 6 percent, the first reduction in three decades. The subsidy not only has kept Japanese rice prices far above world levels but has also contributed to soaring land costs. Farmers are not happy about the party's shift, of course, but they also recognize that it was inevitable and that they have nowhere else to turn.

The party has ruled for so long that it amounts to a shadow government. It has committees to study major issues, and in some instances their expertise rivals that of Government agencies. In addition, Liberal Democratic politicians have steadily gained power at the expense of Government bureaucrats, traditionally the source of Japanese authority. Experts say that with overseas pressures mounting for Japan to change its economic ways, only political leaders can reconcile differences among competing ministries, and do it fast.

Even though some Japanese complain about their exclusion from the selection of a national leader, the absence of a significant reform movement suggests they are content to let matters rest so long as their prosperity continues. The party's grip on the national consciousness was shown in last year's elections.

Theoretically, Liberal Democratic candidates should have fared poorly. Unemployment was up, and a suddenly strong yen threatened exports. Yet the party won big. In the end, Japanese concluded that the only ones who can help them out of a Liberal Democratic-made mess are the Liberal Democrats themselves.

Refugee Flood



Tamil college students who escaped fighting in Jaffna, Sri Lanka.

Tamil Resistance Wanes

INDIAN troops were winning the real estate in their battle with Tamil guerrillas last week, but their main political target, Velupillai Prabhakaran, commander of the separatist Liberation Tigers of Tamil Eelam, reportedly escaped to fight another day. After a two-week siege, 8,000 Indian soldiers were said to have captured all but a few pockets of resistance in Jaffna, the northern stronghold of Sri Lanka's Tamil minority. Yesterday, the Indians said they were still encountering "a lot of sniping."

More than 600 guerrillas and 100 Indian soldiers have been killed, Indian officials said. With few exceptions, however, journalists were barred from the area, so the claims could not be verified. With information tightly controlled, support for the rebels seemed to be waning

among the tens of millions of Tamils of the southern Indian state of Tamil Nadu; such support was a major concern for the Indian Government. The Indians attacked anew after Mr. Prabhakaran backed away from a promise to surrender weapons, and guerrilla attacks resumed against members of Sri Lanka's ethnic majority, the Sinhalese.

India has dispatched 20,000 soldiers, many of them ethnic Tamils, to enforce the agreement signed by the two countries July 29. Mr. Prabhakaran had been promised a leading role in a more fully autonomous regional government. Meanwhile, an estimated 500,000 refugees have fled from northern and eastern Sri Lanka in the last three weeks. Ninety thousand refugees from earlier phases of the four-year-old conflict were already living in camps.

Verbatim: Nature and the Poor

Those who are poor and hungry will often destroy their immediate environment in order to survive. They will cut down their forests. Their livestock will overgraze the grasslands. And in growing numbers they will crowd into congested cities. They will overuse marginal land. What is needed is the injection of more resources to enable the developing countries to formulate development programs that have environmental safeguards.

Robert G. Mugabe

Prime Minister of Zimbabwe, at the United Nations, calling for increased Western aid.

Teheran's Strategic Considerations

Iran Strike Disconcerts
A Range of Enemies

By YOUSSEF M. IBRAHIM

PARIS — IRAN, an old hand at byzantine maneuvers, is resorting to an ancient tactic to deal with its many enemies: divide and rule, or at least create confusion and hesitation.

By swiftly retaliating with a missile attack of its own last week after the United States had attacked three of its oil platforms, Iran punched a hole in the protective American shield over the Persian Gulf. This has left other nations involved in the conflict to wonder who will strike the next counter-blow, if there is to be one.

Iranian strategists said that their retaliation — a Silkworm missile attack on a Kuwait offshore oil-loading facility on Thursday — meant that they had "hit several birds with one stone." They knocked out an important outlet for Kuwaiti oil exports that can berth large tankers. By doing so they affected strategy in Iran's seven-year-old war with Iraq by placing other Arab supporters of Iraq in the gulf, especially Saudi Arabia, on notice that their vital economic interests will no longer be held sacred.

In addition, Iranian official sources and independent Mideast experts said the missile attack that put the terminal on Sea Island out of action has drawn Kuwait, vulnerable to attack, into a virtual state of war with Iran, and has challenged Saudi Arabia to live up to its role as big brother to the other gulf nations.

The Iranian attack also exposes the reluctance of Iraq's air force, which has done little to eliminate the Silkworm base in the Fao Peninsula that has Kuwait in its range. And all this had put the United States in a deeper quandary about how much further it wanted to get involved in the gulf war.

"It will be problematic for the Americans," said a London-based Iranian official. "If they retaliate, they have to justify to their Congress why they are doing more than defending the freedom of navigation in the gulf. If they don't, they have to answer for the mediocre protection they are offering the Arabs in return for all the military facilities they are asking of them. In the least it gives us time."

Shahram Chubin, a gulf affairs expert at the Institute for Higher International Studies in Geneva, said, "After all, what's the use of protecting Kuwaiti tankers if Kuwaiti oil facilities are vulnerable?" This notion, disquieting to Iran's gulf neighbors, seemed to have been confirmed on Thursday by a Reagan Administration official who said retaliation for the attack against the Kuwaiti oil port was not the responsibility of the United States, which, he said, is committed only to protecting ships. Iranian officials, speaking in interviews last week, said this fits their strategy of limiting the impact of the American presence, testing the ambiguity of United States policy, and demonstrating to other gulf countries that their security is diminished by the American presence.

According to these Iranian diplomats and officials, the primary Iranian objective is to continue with the war of attrition against Iraq. A new part of this strategy, said a sen-

ior Iranian envoy, is to "integrate" the United States into this effort through skirmishes "small enough to keep the Americans engaged but not big enough to provoke them into a big retaliation." Eventually, Iranian officials hope, the cost to the United States will push American opinion to favor pulling out of the gulf. Meanwhile, the Iranians said, the presence of American warships helps the regime of Ayatollah Ruhollah Khomeini by boosting patriotic feelings. "We are really fighting the Great Satan himself now," said an Information Ministry official. "This will keep mobilization going. People will sacrifice a lot for this."

"In many ways, the Iranians have the initiative," added Ghashtab Firozan, an Iranian oil consultant in London. "There is one of the few countries in the world without debt. Iraq, on the other hand, has borrowed heavily. And they have no shortage of volunteers, especially if they say they are now at war with the Americans. They are setting the tone and the Americans are reacting."

Iran Still in Peril

Iranian officials say they are prepared for a long conflict. They maintain, for instance, that they have discouraged Iraqi and American raids on the Fao Peninsula by placing Hawk missiles there. The Iranians say they have mounted their Silkworms on movable trailers, making them difficult to hit.

Other experts, however, contended that despite tactical advantages and short-term victories, Iran was still in peril. They doubted that Iran could surmount all the challenges of the American presence in the gulf, which upsets Teheran's presumed hegemony over the region. Iran's freedom of action has already been limited there, these experts said, by the effective response of the United States to Teheran's military thrusts.

At best, these specialists noted, Iran's maneuvering has to be delicately done so as not to provoke more hostility from its neighbors, and that may be difficult to do.

"What they think of as measured strategies can be seen as not so measured by others," said Prof. Adeed I. Dawisha, an Iraqi scholar at George Mason University in Fairfax, Va. Mr. Dawisha and many other gulf area experts believe it is too late for Iran to mount any successful offensives against Iraq, whose defenses are proving to be too tough. In addition, they maintain that other Arab countries are now leaning toward open confrontation with Iran. Saudi Arabia and Kuwait, for example, have never been closer to an open declaration of war with Iran since the Khomeini regime came to power in 1979. And Syria, Iran's only important Arab ally, is expected to come under enormous pressure next month at an Arab summit meeting in Amman to modify or halt its support of Iran or face the loss of millions of dollars in vital financial aid from Saudi Arabia.

"The Iranians haven't been so isolated since the war began seven years ago," said Mr. Dawisha. Still, Iran's enemies continue to hope that once Ayatollah Khomeini is gone, the reality of how costly this war has been will finally change Iran's attitude. But until then, said a Teheran-based businessman, "sanctions, confrontations and such things won't matter much here."



Iranian oil platform erupts into flames after shelling by American ships.

The Limits of Glasnost

Russians Get A Grim View of American Life



Visiting Politburo member Viktor P. Nikonov surveying the wide display of frozen foods available to Americans, during a visit to a supermarket near Washington this month.

By BILL KELLER

MOSCOW — A CREDULOUS viewer of Soviet television might think that ordinary Americans fall into two categories. Some live in cardboard boxes on the mean streets of New York. The rest spend their days marching vainly before the White House to protest the bellicose policies of the Reagan Administration.

Glasnost has done much to change public discussion of life in the Soviet Union, but so far it has left largely intact the official media caricature of the United States: America is still a land of insecurity and injustice, big-money autocracy and militarism.

One reason to regret the failure last week to set a date for Mikhail S. Gorbachev to visit Washington is that such a trip might help lift the gloom that covers the official portrait of America. If he does make the trip, his every encounter will be replayed on television. The opening of a window on America could mean as much to mutual understanding as the closing of an arms deal.

A few respected Soviet commentators, such as Fyodor M. Burlatsky of Literaturnaya Gazeta and Aleksandr E. Bovin of Izvestia, have been clamoring for a less ham-handed portrayal of life in the United States. Last May, Mr. Burlatsky, who is believed to be a Gorbachev confidant, raked Soviet foreign reporting in an article in Sovetskaya Kultura. Why, he demanded, are Soviet readers never told that most Westerners have jobs and live normal lives? "We have developed a strange manner of writing about the jobless and not about the workers, about reactionary activists and not about progressives, about 'mass' culture and not about culture," he wrote. The simplistic view of foreign leaders presented in the official press, he added, has made it hard to explain foreign policy to the public in a credible way, and has hindered mutual understanding that would promote disarmament and economic cooperation.

Newspapers have opened their pages to occasional opinion articles by American officials and journalists, but the reporting by Soviet correspondents based in America is often as one-dimensional as the editorial cartoons, which still feature fat-cat bankers, oppressed

workers and that evil imperialist, Uncle Sam. Last week, for example, the press gloated triumphantly over the collapse of the stock market. "After yesterday's panic," Tass said, "it is held that a recession is inevitable and by all indications will take place in the near future."

Even when it is not gratuitously grim, the view of everyday America is lopsided. A typical feature on ordinary life in the United States was shown the other night: a small gathering of American leftists were celebrating the 100th birthday of John Reed, the American Communist buried in the Kremlin wall and probably best-known to many Americans as the fellow Warren Beatty portrayed in the movie "Reds." Nothing wrong with that — American correspondents in Moscow write frequently about Soviet dissidents who are well outside the Russian mainstream. But in Soviet accounts of the United States, the mainstream is consistently ignored.

Russians do not all swallow this whole. Many listen to Western radio, circulate Western videos and music tapes, or share Western literature. They have become adept at what Jonathan Sanders of Columbia University calls "peripheral viewing," examining television reports on peace marches for glimpses of the store windows and new fashions in footwear. And in the last few months, there has been a surge in the number of Soviet citizens allowed to travel to the United States to visit relatives. Presumably they will bring back first-hand reports to counter what television shows them.

But the contorted coverage surely has its effect. Soviet citizens are often surprised to learn, for example, that the United States has unemployment insurance, social security and a welfare system. The workings of American democracy are utterly mysterious, and it is widely believed that the political system and the press are manipulated by Wall Street — just as the system here is controlled by a party elite.

Recently, the picture of America has been more upbeat. Last Saturday, on a trendy new late-night television variety show called "Before and After Midnight," the normally sarcastic New York correspondent of Moscow TV, Vladimir Dunayev, presented a jolly Valentine to the United States, featuring a report on American television shows, a reading of the current Billboard record ratings, and a tribute to Glenn Miller. When Politburo member Viktor P. Nikonov toured American farms earlier this month, the trip generated a sample of the tourist-eye view that would be nightly fare if Mr. Gorbachev were to go to Washington. One night the Soviet cameras lingered lovingly on the aisles of an American supermarket, another night they met an American farm family.

There is a measure of risk in showing Soviet viewers an America that is not a police state, where people enjoy a standard of abundance far above the drab existence of most Russians, and where pluralism is a noisy but cherished way of life. An honest account of America is not likely to make many Russians want to pull up their native roots and move there. But it may call into question the credibility of the system they live under.

Toward the Center

The French
Campaign for
An Ordinary
Presidency

By JAMES M. MARKHAM

PARIS — LIKE a good detective novel, the campaign for the French presidency has opened briskly and with little indication of how it will end. Although the winner will probably not be evident until a runoff ballot between the two leading contenders in May, many French politicians and commentators have already concluded that the election will be an institutional watershed. The all-powerful French presidency, hand-tailored by Charles de Gaulle to fit his own lofty ego, may be coming to an end.

While a tenacious foe of Gaullism, President François Mitterrand, who led the Socialists to power in 1981, has done a commendable job of defending the solemnity of the Fifth Republic's highest office. The polls suggest that Mr. Mitterrand is the likeliest candidate to succeed himself for a seven-year mandate. Yet since March 1986, when a rightist coalition wrested control of parliament from the Socialists in legislative elections, the President has had to share power with Prime Minister Jacques Chirac, whose profoundest ambition is to supplant Mr. Mitterrand.

This experiment with what is known as "cohabitation" has blurred the boundaries between right and left. The traditionally fierce trench warfare between the two camps appears increasingly anachronistic in a society in which ordinary people get along amicably enough. So, too, the Socialists' five years in government demystified the idea of the left's ruling France — a political bugbear since Leon Blum's Popular Front in the 1930's — and demonstrated that an alternation of power can be normal. Finally, the mobility of the Socialists or the right to deal decisively with persistently high unemployment and low growth has made much of the electorate wary of dogmatism and more attuned to politicians with pragmatic answers.

The reorientation of French politics toward the center has been hastened by the eclipse of the once-mighty Communist Party, which was reduced to a meager 9.7 percent of the popular vote last year. For the presidential contest, the Communists have fielded André Lajoinie, whose southern French and rural origins give a homey gloss to a party that has never shaken its Stalinist reflexes. Mr. Lajoinie could lose votes to Jean-Marie Le Pen's National Front. Mr. Le Pen's rantings against Arab immigrants have lured large numbers of disgruntled blue-collar voters who once voted Communist.

More Popular Than His Party

It was President Mitterrand who hastened the Communists' decline by bringing them into government in 1981. Now largely free to ignore the Communists, Mr. Mitterrand has emerged as a kind of national father figure above the fray — a Socialist to be sure, but one who has France's largest interests at heart. He will lose this nimbus as soon as he declares his candidacy. So the President, a master of rhetorical nuance, has kept his intentions mysterious. He has tossed a few darts at Mr. Chirac, prompting many to conclude that Mr. Mitterrand will run again. Yet even his close advisers say that they are not certain and that his age — he would be 72 at the end of a second term — will weigh heavily in his considerations.

Even if he is re-elected, Mr. Mitterrand has no assurance of repeating what he did in 1981: dissolve parliament and let the Socialists ride his coattails in a majority. The President is more popular than his party, and rather than gambling on fresh elections, he might be tempted to carve out a governing majority from the existing National Assembly, splitting off non-Gaullist centrists to join a center-left cabinet. If he does not run, the Socialists' likeliest standard-bearer would be Michel Rocard, an ambitious former agriculture minister who has already launched a lonely and possibly quixotic campaign.

Last week's seismic shock from Wall Street, which reverberated in the Paris stock market, was a blow to the two main presidential contenders on the right, Prime Minister Chirac and Raymond Barre, a professional former prime minister. Both are associated with the selling of nationalized industries to private investors, which has created a new class of stockholders who are, on paper at least, suddenly poorer. The right is also ensnared in an embroilment over how to deal with the xenophobic Le Pen phenomenon. In the likely May runoff, Mr. Chirac or Mr. Barre would probably face a candidate of the left. Both would like to have Mr. Le Pen's votes. But attempts to placate him may ultimately backfire, since the National Front has an objective reason for seeing Mr. Mitterrand re-elected. For his own reasons, the Socialist President is inclined to restore the system of proportional representation that enabled the National Front to make it into parliament in the first place. The survival of the Le Pen movement may lie in the Socialists' hands.

As the campaign plot thickens, one thing is clear. Among the principal candidates, only the austere Mr. Barre favors a return to the classic contours of the Gaullist Fifth Republic: a quasi-imperial president with a docile majority supporting him in parliament. The next months will show whether France embraces such a political vision, or rejects it as a throwback to a less pluralist era.



President François Mitterrand in front of his rival, Prime Minister Jacques Chirac, in Paris.

Union Solidarity Is No Longer Sacrosanct

The Nation

Even Football Players Find Labor's Glory Has Faded

By A. H. RASKIN

Vanquished in their three-week strike, the behemoths of the National Football League Players Association carry back to gridirons across the country today an expensive lesson in labor-management gamesmanship — one that has become painfully familiar in recent years to tens of thousands of their less affluent fellow tenants in the battered House of Labor.

The lesson is that the picket line, once uncrossable by any true believer in unionism, has become decidedly porous, and strikes now boomerang at least as often as they succeed. Indeed, the upper hand at many bargaining tables has passed so decisively to management that employers not only find it possible to keep operating in the teeth of strikes — they often provoke them as a means of getting rid of unions altogether.

True, the imbalance in power is by no means universal. In some of the country's largest multinational corporations, for example, unions remain so well entrenched that management — struggling to protect market share against savage competition from foreign and domestic rivals — recognizes that it might prove suicidal to trigger a long shutdown by confrontational tactics.

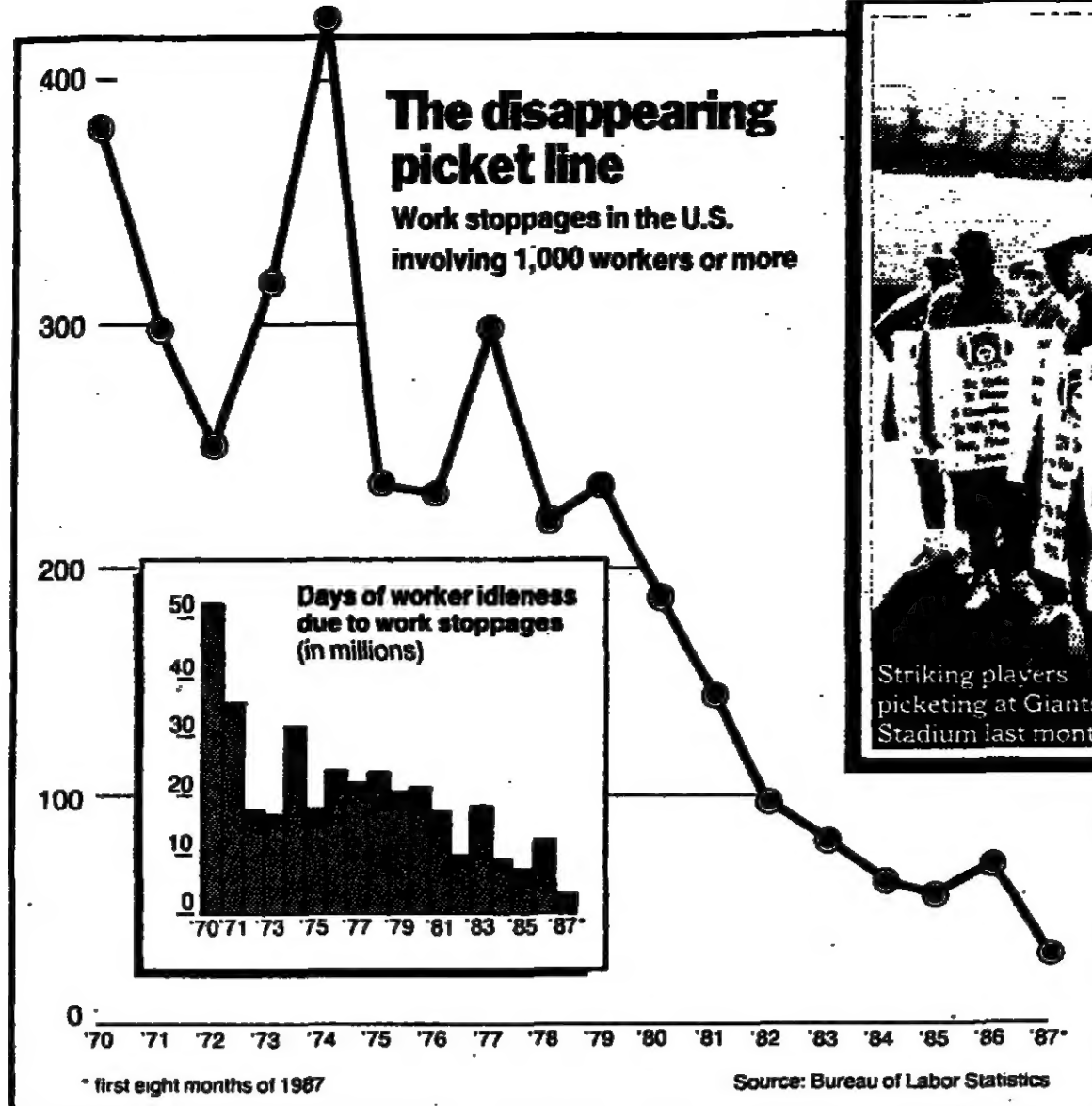
Such considerations help explain the unusual cordiality that surrounded Ford's and General Motors's recent negotiations of new three-year contracts whose job security provisions were hailed by the United Automobile Workers as "history-making."

"Most of the rest of United States industry was disappointed that the auto companies did not take the union on, but the sophisticated bargainers representing both sides in Detroit knew that a strike would have been a disaster for everyone," said B.J. Widick, a former professor at the Columbia Graduate School of Business, who is completing a book on the auto workers.

A special spur toward conciliation by the companies, he believes, was their awareness that the auto union has a \$800 million strike fund, plus unshatterable support from its own rank and file. "Solidarity is dead in most weaker unions," Mr. Widick said. "Their ranks start crumbling in a hurry, as the football players did."

Leaders of the American Federation of Labor and Congress of Industrial Organizations, gathering in Miami Beach for their biennial convention this week, are convinced that the biggest single factor in the newfound aggressiveness of many employers was the example set by President Reagan in 1981 when he fired 11,500 Federal air traffic controllers for their illegal strike and put their union out of business.

Most outside experts ascribe the union's annihilation



to its mistaken certainty that its members' absence from control towers would paralyze the nation's airlines and force swift capitulation to its demands. The Government proved it wrong, maintaining near-normal air traffic with a skeleton staff of supervisors, military controllers and other substitutes. The strikers might still have won if unionized airline pilots, mechanics and flight attendants had grounded all planes by respecting the controllers' picket lines. Such support was never forthcoming.

Last June, the air controllers who replaced the blacklisted strikers voted 2 to 1 for a new union, but strikes are no part of its arsenal.

Management Triumphs

Elsewhere, the list of unions that have lost strikes, or have choked down unpalatable management terms because they dared not put up picket lines, has grown every week. Blue-collar and white-collar unions alike have learned the hard way that their strike muscle has atrophied. At Brown & Sharpe Manufacturing Company in North Kingston, R.I., which makes machine tools, 800 machinists are technically still on strike after five and a half years, but all have been replaced and the company is operating profitably on a nonunion basis.

At the Hormel meatpacking plant in Austin, Minn., a dissident local of the United Food and Commercial Workers was crushed last year under the combined hostility of the company and its own parent union, backed up by the full A.F.L.-C.I.O. hierarchy. At Continental and Trans World Airlines, Greyhound Bus Lines, Colt Firearms, Phelps Dodge copper mines and dozens of other enterprises, management has shrugged off strikes.

This month's rout of the football strikers has been accompanied by the surrender of the very dissimilar union representing 2,800 writers, producers, graphic artists and technicians at NBC. Disregarding a negative recommendation by their own negotiators, a majority of the strikers have voted to return, with the network vic-

torious on the chief strike issue.

At The Washington Post, defeats have left all the unions in such disarray that the Newspaper Guild, which speaks for 1,400 editorial and business-office workers, has resigned itself to relying on the small-like processes of the National Labor Relations Board, rather than direct action, to combat the paper's unilateral terms.

Public sympathy for strikes can be expected to dwindle even further as a result of the damage labor's image is likely to suffer from yesterday's decision of the A.F.L.-

A Historic Vote

The Senate's Last Word on Bork

AFTER three weeks of hearings that changed some minds and two days of fierce debate that did not, the Senate last week voted down President Reagan's nomination of Judge Robert H. Bork to the Supreme Court last week.

The vote was 58 to 42; it was the largest margin ever of the 27 times, over 200 years, that the Senate has rejected Supreme Court nominations. The three Senators who had not already made their positions public all voted against Judge Bork.

In the end the two sides were as adamant as ever in their opposing visions, not only of the man and his views but also of the confirmation process he experienced. One side called him a brilliant scholar whose advocacy of judicial restraint had been distorted by a partisan "lynch mob;" the

other said his views on individual rights had been widely discussed, understood and then repudiated — by six Republicans as well as 52 Democrats. "The man's been trashed in our house," said Senator John C. Danforth, a Missouri Republican, in the floor debate Friday. Senator Joseph R. Biden Jr., a Delaware Democrat, replied, "This has been a great debate, a debate about fundamental principle, about how one interprets the Constitution."

President Reagan is expected to choose another nominee next week. He or she is certain to be, like Judge Bork, a conservative jurist. "I would recommend," said Senator Strom Thurmond, a South Carolina Republican, "they not send someone as controversial."

Pro & Con: The Special Investigator and the Constitution

How Independent Should a Prosecutor Be?

THE House voted last week to extend the independent prosecutor law, a prospect that galls the Reagan Administration, which sees the law as unconstitutional and which also has present and former aides under investigation by at least six special prosecutors. A veto has been mentioned.

But the 1978 law, which expires in January, may face keener attack on the judicial front. Some experts speculated last week that a Federal appeals court would strike the law down on the ground that the Constitution requires Executive Branch control of prosecutions. Lower courts have rejected several challenges of the law on that basis; last week a Federal district judge refused to dismiss an independent counsel's case against Lyn Nofziger, the former White House political aide. Mr. Nofziger has pleaded not guilty to six charges of violating ethics laws.

The appellate panel is expected to rule soon on a challenge to the law in another case, a special prosecutor's investigation of whether a Justice Department official lied to Congress in connection with a controversy over a Government cleanup of hazardous wastes. Similar challenges have been filed by targets of two more special-prosecutor cases — Michael Deaver, a former White House aide whose perjury trial began this week, and Lieut. Col. Oliver L. North, a key target in the Iran-contra inquiry. The question is all but certain to go to the Supreme Court.

Before voting overwhelmingly to extend the law, legislators in the House expressed sharp differences, not only on special prosecutors' duties and accountability, but also on their cost: nearly \$5 million through August. Two legislators on opposite sides of the debate, Representative Charles E. Schumer, a New York Democrat, and Representative E. Clay Shaw Jr., a Florida Republican, discussed the issues with Kenneth B. Noble, a reporter in the Washington bureau of The New York Times. Excerpts follow.

Charles E. Schumer

A Need for Autonomy



New York Times/Joe R. Lopez

Question. Why do we need a special prosecutor law?

Answer. There are inherent conflicts of interest when an Administration is asked to look into improprieties or illegalities of people within the Administration.

The closer to the Justice Department and the Attorney General those allegations get, the greater the need for some kind of independent examiner.

Q. The Reagan Administration contends that the law permits the judiciary to intrude on the executive branch's responsibility for prosecutions. Does the law violate the doctrine of separation of powers?

A. Those arguments have only come up in recent years, which is sort of ironic. Only now that the independent counsel has sort of come to home in the Justice Department do we hear these cries of separation of powers.

To answer directly: In prosecutorial matters such as these, I don't think there's any problem with the executive delegating to a quasi-executive, quasi-judicial type person the ability to investigate.

Q. What would happen if the independent counsel law were allowed to expire?

A. We'd be back in the situation we were in in the mid- and early '70's, and perhaps earlier.

When there were allegations of improprieties or illegality against people in the Administration, no matter how good a job it did in trying to examine those, there would always be an appearance of conflict.

Q. Why do you oppose extending the law to members of Congress?

A. The problem with the law now, and why the Republicans asked that Congress be included, is not that they really believe that Congress should be included but that they think there is still too much an aura of politics surrounding the present law. And they're right.

But the answer is not to just make it even more political, and allow charges to fly — Democrats accusing Republicans, Republicans accusing Democrats, and then a special prosecutor being automatically appointed, which that amendment would call for.

There's an alternative: to take it out of the realm of politics altogether. The decision whether we should go to court and apply for an independent counsel, that ought to be done by a body that's sort of above politics — ideally,

some kind of independent board appointed by the President to which all allegations can be sent. You can't avoid under the present structure of the law appearances of political conflicts.

Q. Is the current independent counsel system becoming too costly?

A. There's always a price for achieving justice. That's simply a question of whose ox is being gored. I don't think that's the issue.

Q. Critics cite the inquiry of Lawrence E. Walsh, the independent counsel who is investigating Lieut. Col. Oliver L. North and others in the Iran-contra scandal, as an example of how the current system can go too far.

A. I think people are frustrated that it's taken so long. But the Walsh investigation is so complicated — documents from foreign countries, documents from Swiss banks — it's inevitably going to take a long time.

I think overall the independent counsels themselves have been very good. There's not been a rush to prosecute, nor, on the other hand, has there been a rush to vindicate.

The method by which we appoint the special prosecutors, that's what's enmeshed in politics. The point I would want to stress is, the trust in the office of independent counsel will increase directly proportionately to how far removed from politics and the political process it is.

E. Clay Shaw Jr.

Reining in the Power



Burr Steinhilber

Question. What's wrong with the special counsel law?

Answer. There's nothing wrong with it from the standpoint of covering the question of prosecution where there is a conflict of interest. The problem lies in its constitutionality.

Q. Is there any way to cure the constitutional deficiency you see without killing the legislation?

A. There certainly is — as long as the Attorney General has some discretion and some retained powers.

Q. A lot of concern has been expressed about the timing of the arguments against the bill. Why now, when there are so many Republicans under investigation?

A. This is the first time since the bill was passed in 1978 that Congress has had any hearings on it. Secondly, this isn't the same bill as was passed in

1978. What the majority party has done is taken every little prosecution or decision that the Attorney General has made in the last several years that they did not like and tried to take that area of discretion away.

He cannot in deciding whether a special prosecutor should be appointed consider such things as criminal intent. The bill allows the special prosecutor to expand his own jurisdiction beyond that set forth in the petition by the Attorney General.

It also states that the courts in fact are creating a new agency by the appointment of a special prosecutor. Since when can courts create new agencies within the Federal Government?

Q. So why not let the law expire on Jan. 1?

A. Well, I think that the public demands some accountability. They want some independence. I quite frankly think that expiration of the existing law is better than passage of the [revised] law. However, there's no problem in extending existing law for one year so that the courts will have an opportunity to give us guidance as to how we should structure a new law.

Q. The Justice Department has said recently that the growth of these investigations is simply too costly. Is that a serious concern?

A. Well, it's getting to be.

Congress appropriated \$4 million for special counsels. But when you get a case like Mr. Walsh [the Iran-contra independent counsel] — he has spent \$2.9 million so far, which is much more than the budget for the whole northern district of Florida, for all the prosecutions that they do, which number over 1,000. He's signed leases extending beyond a year, so you wonder what in the world this man has in mind.

These people are just out there; they don't account to anybody, and I don't think that's what the taxpayers or the American people have in mind when they say they want an independent counsel.

Q. Should this law apply to members of Congress?

A. The most serious part of this law — there are some automatic triggers in there: if certain things happen, an investigation has got to start. If those investigations are necessary in the executive branch, I feel that they are necessary in the legislative branch.

Q. Does this threaten to become a partisan issue?

A. It was on Wednesday, and it's too bad.

The debate was rather strange. The only way you can explain it is partisanship. The people who were turning the screws down the hardest were those that stand up for civil liberties. The liberals on the Democratic side were the ones that really crafted this bill.

To have one of these things unleashed on you is a terrible thing. And anyone who has had one on their neck can certainly testify that it darn near ruins people. It ruins reputations. I think that the Democrats have lost sight of the fact that this bill is going to affect Democrats and Democratic Administrations also.

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ABOUT THE ARTS

ITALY/Roberto Suro

Maestros In the Movies: Theme and Variations on the Musician as Hero

HARD AT WORK ON HIS latest movie, Franco Zeffirelli is trying to create a portrait of an artist that he thinks is suitable to an artless age. On the set one recent morning, the major challenge lay with C. Thomas Howell, the 20-year-old actor cast in the title role of "The Young Toscanini," who confesses, "Before I took this part the only classical music I had heard was in Bugs Bunny cartoons."

Mr. Zeffirelli shouts "Cut! Cut! Cut!" to make himself heard over a sweet passage from "Rigoletto" that blares from loudspeakers. The young Californian slumps behind a piano as if he knows what is coming. "You must be a hero, a hero in search of perfection, a great man bursting with energy and joy. Now try it again," the director says, smiling.

Giving lessons in music appreciation and in musical craft are only two of the challenges involved in making movies that interweave musical performance with dramatic narrative. Technical difficulties and expenses abound. But the genre seems to be enjoying a revival with both esthetic rells is one of a growing number of directors who see music as a source for a kind of protagonist that can have a special appeal today. And, following the success of Milos Forman's "Amadeus" and Mr. Zeffirelli's own film production of "La Traviata," there is a growing awareness that musical movies can turn a profit.

"Amadeus" and Mr. Zeffirelli's new movie and "Stradivari," Giacomo Battiatto's film biography of the legendary violin maker starring Anthony Quinn — also being shot in Italy — all revolve around musicians portrayed as far from ideal human

beings who remain heroes because they are obsessed with their own artistic visions. Music serves to glorify obsession, and keeps the men from becoming mere careerists.

"The Young Toscanini" focuses on the conductor's first love and his first success. Filming is taking place against the gilded backdrop of the Teatro Petruzzelli, a turn-of-the-century gem in this southern Italian port city. Sound technicians are setting up a scene in which Toscanini is rehearsing a group of singers. Four bits of music are interspersed with dialogue.

Nothing is happening on cue, and the exasperated director finally screams: "We are in the process of wasting half a day of shooting and \$100,000. Are we ready or are we not?" Finally the technicians are ready, but on the next take Mr. Howell is again the problem. "There is still not enough joy," Mr. Zeffirelli admonishes the actor.

Most of Mr. Zeffirelli's career and virtually all of his recent successes involve grand — some critics would say overblown — musical productions. The director makes no apologies for trying to popularize opera with his films of "La Traviata" and "Otello." In his current production he is taking his audience backstage. But he still suffers instants of despair with his favorite genre. Calling a break in the shooting, the director turns to a visitor on the set and says, "Never make a musical movie; music costs millions."

Why bother then with all the difficulties of wedding film and music?

For one thing, Mr. Battiatto explains, music and dance are about the only art forms that come across in the movies, and dancers are corporeal and sensuous, not easily depicted as abstract intellects. Painting, sculpting and especially writing are not activities that come across visually. Second, films like "Amadeus" and



Franco Zeffirelli directs C. Thomas Howell and Harriet Thorpe in a scene from his upcoming movie "The Young Toscanini."

Mr. Zeffirelli's "Traviata" have shown that a large number of people who do not ordinarily listen to classical music like it when they hear it in a movie theater — they then often buy the soundtracks, boosting the profitability of the whole production. Moreover, the appeal is international.

But, in talking to Mr. Battiatto and Mr. Zeffirelli, it is clear that there is more to it. Even if each of these movies presents a genius as thoroughly human, they are still about artistic heroes. Heroes on film need a sense of mystery and bravura, and where better to get that than from violins and sopranos' voices?

As recently as "The Agony and the Ecstasy," the 1965 film in which Charlton Heston portrayed Michelangelo, Mr. Battiatto believes, the film world "subscribed to the Romantic tradition that treated artists as myths and deities," but today he is convinced that audiences are attracted to "heroes with great gifts and great passions but who are also credible as real human beings."

"The Young Toscanini" will present the conductor as a great artist, but one who, like Mozart in "Amadeus," is demythologized. Instead of the stormy, white-haired giant, we see a gangly lad with a thin mustache. And "Stradivari," like Mr. Zeffirelli's new movie, presents the hero as a genius of technique rather than of pure creativity.

In a secular age that adores success, these artists are portrayed as self-centered perfectionists, not the voices of a people, not the instruments of a muse, not tortured seekers of intangible truth. The directors say they chose Toscanini and Stradivari as protagonists because they were involved in the production rather than the creation of art.

"Toscanini is an example of someone who did his job perfectly because he believed absolutely in himself and knew what he wanted, and he achieved success because he refused to compromise," says Mr. Zeffirelli,

adding, "I think this is the kind of character people can look up to today, especially kids."

This movie, in fact, is a double success story. Elizabeth Taylor will portray a washed-up Russian soprano who makes a triumphant comeback under Toscanini's inspiration. Although the incident did occur, Mr. Zeffirelli based much of the script on his own experience in helping to engineer Maria Callas's comeback in 1965. In an example of art imitating life, Ms. Taylor will be making her first film appearance in seven years.

Mr. Zeffirelli believes that Toscanini can be a hero to a contemporary audience because he was "a priest, a minister, a servant who respectfully interpreted the works of others, making them come to life with his own talents." In the director's mind this is a negative reflection on the state of the world. "People today are nicer than they were in the past," he says, "but they are not as creative; they elaborate on the achievements of the past. We do not make creative giants any-

more, and I don't think people could relate to them if we did."

Mr. Battiatto describes his protagonist in similar terms. A maker of musical instruments more famous than many composers, a man once portrayed as a diabolic creator of secret formulas, Antonio Stradivari will be seen as "an artisan with a fire for perfection who is fixated on exercising his craft as best he can," Mr. Battiatto says.

There are love interests in both the Toscanini and Stradivari movies that serve to fill out the characterizations, and in both cases the protagonists happily resolve conflicts between their artistic obsessions and the demands of love.

Mr. Howell summed up the appeal of "The Young Toscanini" more simply: "This is certainly not a teen movie, but it will appeal to the younger generation because it is about this kid who never quits and puts up with a lot of pressure and succeeds, kind of like 'Rocky' with music." □

Film View: The Perils of Tinkering With Credibility

**When it comes to
suspending
audience
disbelief, some
movies are more
deft than others.**

By JANET MASLIN

Every film requires its audience to make a leap of faith, but some leaps are longer than others. A lot longer. It isn't even a question of whether what we're seeing can literally be believed. One film may make its viewers accept the idea that a nobody from Palookaville can slug his way to the top of the boxing world, or that a schoolboy can travel backward in time to meet his parents as teen-agers; another may strain credulity with the sight of a simple soul making a visit to his neighborhood store. When a film persuades viewers to accept the incredible, it can provide escapism of the most liberating kind. But if it fails to be convincing about even the most mundane details, it may just lose its audience at the starting gate.

Attitude counts for a lot when it comes to setting forth the impossible. Sometimes, as in David Mamet's brilliantly manipulative "House of Games," a film's ideas about truth and deception may be its entire raison d'être, but the credibility issue usually manifests itself in more pedestrian terms. For instance, could a man imbibe "brain transference serum" in his Bloody Mary and switch personalities with his teen-age son? Maybe not. But can the genial, crowd-pleasing comedy "Like Father, Like Son" induce its audience to believe and even enjoy this notion? It can, and knowing one is being cajoled into accepting something entirely implausible only heightens the fun.

Depending on the general frame of mind in which a film puts us, we may or may not be inclined to ask niggling questions. Does it matter to anyone watching "Fatal Attraction," for example, that Glenn Close's high-powered career woman seems to abandon her editor's job entirely once she

starts stalking a married lawyer (Michael Douglas) on a full-time basis? Does anyone wonder how a woman capable of behaving so erratically managed to claw her way to the top in the first place? It hardly matters, because the film is otherwise so successful in touching on attitudes and emotions that audiences recognize as real. The larger authenticity here is powerful enough to sweep away any implausibility in its path.

On the other hand, Ridley Scott's similarly glossy "Someone to Watch Over Me," while only a little more far-fetched in absolute terms, has a much harder time transporting its audience to a climate of romantic unreality. For one thing, "Fatal Attraction" presents its characters' affluence and attractiveness quite offhandedly, which is part of its appeal; by comparison, Mr. Scott's film revels much too energetically in its ostentation. And Tom Berenger, as a married police detective from Queens assigned to guard a filthy-rich socialite who seems to become physically ill at the sight of a gaudy

**Some Hollywood
movies require
lengthier leaps of
faith than
others.**

necktie, has a none too sympathetic role. So when the script attempts stretch after stretch in explaining why Mr. Berenger always winds up with the night shift, and why he's saddled with the dirty job of escorting this beauty to black-tie parties, one is inclined to disbelieve. This film's mistake is in supposing that mere voyeurism is enough to fuel such an elaborate and unwieldy fantasy.

Sometimes a film abdicates its claim to any sort of realism right from the start, usually in the name of antic humor. When "Surrender" presents Sally Field as an impoverished artist, complete with raffish living quarters and the spunkiest attitude this side of Doris Day, it automatically invites skepticism (without generating anything in the way of compensatory humor). And when "Anna," the film about an émigré ac-

tress trying to make her way in America with the help of a gorgeous and devoted young protégée, tells its story in entirely clichéd terms, it loses all hope of being taken seriously. It's possible to imagine two women characters like these, and even to see pathos and humor in their situation, but the film around them is much too studiously adorable. It insists, for example, that the older actress is a great talent who can only get work as the understudy in an elaborate show about feminism, which is supposed to be a big Broadway hit.

Now "Weeds," which is also about the theater, is not an iota more likely than "Anna" in absolute terms. (That each of these films is loosely based on someone's real experience — so is "Surrender," for that matter — has no bearing on its plausibility. Credibility is a matter of what we're willing to accept, not of what we know to be true.) And yet "Weeds" is by far the most transporting experience, even though it makes a point of flaunting its unlikely side right away. No sooner has Nick Nolte, as a hardened criminal with a lifetime sentence at San Quentin, made his entrance with a couple of suicide attempts than he begins writing a play and forming a theater company. The toughest cons in San Quentin show up for auditions, singing "The Impossible Dream." This is so crazy that it catches the viewer off guard, but it's also apt, since impossible-dreaming is the film's strongest suit. And "Weeds" is consistent and well acted enough to sustain its far-fetched optimism to the very end.

One of the hardest things to tolerate, where credibility is concerned, is a film that changes gears the way "Baby Boom" does, with an hour's worth of big-city humor at the expense of hard-boiled, tough-talking careerist types, followed by a Vermont section that defies belief at every turn. The country scenes are as ludicrous as the city ones are savvy, and the result is a disconcerting mix. When a film demonstrates, as Mr. Mamet's "House of Games" does, that it has a sure, steady grip on what its audience will or will not believe, then going along with its deceptions becomes a pleasure. But when it's clear that even the film makers aren't certain where their own artifice defies belief, it's time to worry. □

International Followers BY JANE A. BOGGS/Puzzles Edited by Eugene T. Malieska

ACROSS															DOWN																																																																																																																																																						
1 Props for Chaplin	6 Black varnish	11 Group character	16 Tally on a gun handle	21 Menen's "The — of Love"	22 Pigment for Constable	23 Purple dye	24 Convex molding	25 Indian	28 Close, as a deal	29 Indolent	30 Gore	31 "— appétit"	32 Peaceful name	33 Be dispirited	35 On-dit	37 Fuselage part	38 Actor Jamie	42 Of warships	45 More authentic	46 Graceful horse	47 It precedes Taurus	49 Museum piece	51 Trying experience	53 Warsaw —, 1955 alliance	55 Spanish	59 Looped handle	61 God: Comb. form	62 Rosette worn on a hat as a badge	63 Ruhr city	64 Greek porticoes	65 Sweetie	66 Isolate	67 Pic	68 — Sauk	69 Mountain, Mo.	70 Mother of the Nerds	71 Fail to pass the	73 Pasta dish	75 Bring out	76 Snack	80 Slight variation	83 Consultant at Delos	85 Became mellow	86 Mother's brother, e.g.	88 Inside out	90 Turtle-shell instrument	92 Advanced gradually	93 Turns a motor over	94 — de la Pascua	95 Venezuela	97 Indian viceroy	102 Santa Lucia, e.g.	103 Type size	105 Mandarin tent	107 Afore	108 Missile housing	109 Scotch	111 Art part	113 — retreat (withdraws)	116 Rejuvenated boatman of myth	117 Typical Wayne role	118 Purplish brown	120 Delft fragment	122 A meaning for X	124 Printer's "take out"	125 Of law	126 Certain muscle	128 — were (so to speak)	130 Beguile	131 "— Kapital"	132 Jupiter's dozen	135 Site of Pacific College	140 New Zealand soldier, e.g.	141 Irish	144 Conference site: 1945	145 Channel "1, for humans	146 Cosmetics name	147 Be conspicuous	148 Radiance	149 Dress fur	150 Next, in Dundee	151 Division of the Dakota	1 Guitart's fastening device	2 Join at the edge	3 Intricate ploys	4 Taro corn	5 Earthquake	6 Steady trot	7 Makes it to the top	8 Showing: Comb. form	9 "— and the Man": Shaw	10 Logarithm unit	11 Ostrich's look-alike	12 Embroidery	13 Satisfied another's whim	14 Dutch	15 One-fortieth of a mound	16 More inquisitive	17 Partial superimposition	18 Turkish frame	19 Lace town	20 Leslie Townes	26 Tubular lamp filler	27 Proof direction	34 Describe grammatically	36 Recumbent	37 Model wood	38 Foremost	39 Dithyramb	40 Noted Jesuit missionary in China: 1582-1610	41 Exudes fumes	43 Nihau greeting	44 Flaxen fabric	48 Coloring agent	50 Ornamental headband	52 Peculiar situation	54 Alternative	55 Became strained	57 Ancient theater in the round	58 Draft status	60 Brass subordinate	64 Roman-fleuve	67 French	68 Salt	70 Sequestered room	72 Childishly foolish	74 Frank complement	76 Had a gripe	77 A memorable Gandhi	78 Chinese composer	79 Prater's follower	81 Glacial snow	82 Mil. leaders	84 Common birds, in puzzles	87 Greek resistance group of W.W. II	89 At any time	91 "The right place for love," to Frost	95 Forgetfulness	96 "Merry Widow" composer	98 Performed a kitchen chore	99 "... and — to 123 in widespread pluck up ..."	100 Twofold	101 Embarrassing display	104 Calumny	105 Builders' beams	106 Children, in Toledo	108 Swampy tracts	112 Golden	114 Haymarket attraction	115 Endowed with physical feelings	119 Dance for kickers	121 Major follower	125 Biblical whale bait	127 Mountain ash	129 Rendezvous	130 Low islets	133 River rising in Bavaria	134 Nests	136 Roman-ruins site	137 Immediately, to a pharmacist	138 Agrippina's son	139 — Bieber	141 Baby food	142 Pongee color	143 Mail man: Abbr.

ANSWER TO PREVIOUS PUZZLE

ACROSS
1. Props for Chaplin
6. Black varnish
11. Group character
16. Tally on a gun handle
21. Menen's "The — of Love"
22. Pigment for Constable
23. Purple dye
24. Convex molding
25. Indian
28. Close, as a deal
29. Indolent
30. Gore
31. "— appétit"
32. Peaceful name
33. Be dispirited
35. On-dit
37. Fuselage part
38. Actor Jamie
42. Of warships
45. More authentic
46. Graceful horse
47. It precedes Taurus
49. Museum piece
51. Trying experience
53. Warsaw —, 1955 alliance
55. Spanish
59. Looped handle
61. God: Comb. form
62. Rosette worn on a hat as a badge
63. Ruhr city
64. Greek porticoes
65. Sweetie
66. Isolate
67. Pic
68. — Sauk
69. Mountain, Mo.
70. Mother of the Nerds
71. Fail to pass the
73. Pasta dish
75. Bring out
76. Snack
80. Slight variation
83. Consultant at Delos
85. Became mellow
86. Mother's brother, e.g.
88. Inside out
90. Turtle-shell instrument
92. Advanced gradually
93. Turns a motor over
94. — de la Pascua
95. Venezuela
97. Indian viceroy
102. Santa Lucia, e.g.
103. Type size
105. Mandarin tent
107. Afore
108. Missile housing
109. Scotch
111. Art part
113. — retreat (withdraws)
116. Rejuvenated boatman of myth
117. Typical Wayne role
118. Purplish brown
120. Delft fragment
122. A meaning for X
124. Printer's "take out"
125. Of law
126. Certain muscle
128. — were (so to speak)
130. Beguile
131. "— Kapital"
132. Jupiter's dozen
135. Site of Pacific College
140. New Zealand soldier, e.g.
141. Irish
144. Conference site: 1945
145. Channel "1, for humans
146. Cosmetics name
147. Be conspicuous
148. Radiance
149. Dress fur
150. Next, in Dundee
151. Division of the Dakota
1. Guitart's fastening device
2. Join at the edge
3. Intricate ploys
4. Taro corn
5. Earthquake
6. Steady trot
7. Makes it to the top
8. Showing: Comb. form
9. "— and the Man": Shaw
10. Logarithm unit
11. Ostrich's look-alike
12. Embroidery
13. Satisfied another's whim
14. Dutch
15. One-fortieth of a mound
16. More inquisitive
17. Partial superimposition
18. Turkish frame
19. Lace town
20. Leslie Townes
26. Tubular lamp filler
27. Proof direction
34. Describe grammatically
36. Recumbent
37. Model wood
38. Foremost
39. Dithyramb
40. Noted Jesuit missionary in China: 1582-1610
41. Exudes fumes
43. Nihau greeting
44. Flaxen fabric
48. Coloring agent
50. Ornamental headband
52. Peculiar situation
54. Alternative
55. Became strained
57. Ancient theater in the round
58. Draft status
60. Brass subordinate
64. Roman-fleuve
67. French
68. Salt
70. Sequestered room
72. Childishly foolish
74. Frank complement
76. Had a gripe
77. A memorable Gandhi
78. Chinese composer
79. Prater's follower
81. Glacial snow
82. Mil. leaders
84. Common birds, in puzzles
87. Greek resistance group of W.W. II
89. At any time
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125. Biblical whale bait
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133. River rising in Bavaria
134. Nests
136. Roman-ruins site
137. Immediately, to a pharmacist
138. Agrippina's son
139. — Bieber
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143. Mail man: Abbr.

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No Miracles Needed, Just Governance

To begin responding to the alarm set off by Wall Street in the last 11 days does not require draconian or revolutionary measures. It calls for relatively painless and obvious compromises: For America the first order of business is a sound and convincing commitment to shrink the budget deficit. For West Germany and Japan it means some stimulation of their economies. If the elected leaders of these three powers cannot manage these steps, they cannot govern.

The message from the stock market meltdown is clear, and not new. Endless huge deficits in the budget and foreign trade spell trouble, and it was frightening for Washington to behave as if it didn't. While President Reagan must bear primary responsibility for the crisis of lost confidence, he cannot restore it alone.

Congress has to help, by scrapping its protectionist trade bills as well as dealing sensibly on the budget. Help must come, too, from foreign governments whose economic fate depends on U.S. growth and price stability. That means West Germany and Japan must overcome their preoccupation with inflation and adopt policies for faster growth as America moves toward austerity.

The President has led the electorate and Congress down the garden path with nostrums that George Bush aptly dubbed "voodoo economics" before he became the witch doctor's running mate. Congress collaborated in this nonsense, but Mr. Reagan's formula was politically irresistible and his popularity overwhelming.

The trick now is to dig out. There was welcome progress last year, but one year is not enough, and this year was a standoff until the stock market forced President Reagan's agreement to negotiate. He still proposes only non-defense spending cuts, plus a miscellany of user fees and one-shot sales of

Government assets. Those cuts are far too harsh on the disadvantaged, and his revenue scheme remains unconvincing.

Congress answers with a more reasonable rationing of outlays, but Senate and House Democrats' tax packages are patchwork. Taxing the consumption of energy would be better; likewise, higher sin taxes on tobacco and alcohol.

Mr. Reagan is now willing to put "everything on the table with the exception of Social Security." Given the urgency of quick agreement, another shootout over Social Security right now would waste time. But the budget problem can never be resolved if benefit entitlements are untouchable.

For the moment, though, it is enough that President Reagan accept the need for higher taxes at long last, if indeed he does. "Over my dead body" combativeness is out. Turning conciliatory, he now says "I am willing to look at whatever proposal they offer." He must also be flexible on cutting back the excesses of the Pentagon.

With the threat of a recession suddenly more ominous, many ask whether fiscal tightening still makes sense. It does, for two reasons. Budget paralysis-as-usual, as if last Monday's 508-point drop in the market was just a bad dream, would further shatter the world's fragile confidence that this Government can govern. And the \$23 billion hit that's required by the Gramm-Rudman-Hollings budget law is relatively small, particularly when it is divided between spending reduction and higher taxes. This should not devastate the economy if interest rates remain low enough.

What is essential now is that the Government treat the budget deficit responsibly for a change—not with paper savings and phantom revenues. The total cutback must add up to a real \$23 billion this year and, barring recession, more later. No smoke and mirrors this time. No more voodoo. Just a modicum of sensible governance.

Give Unesco a Second Chance

The exit of Amadou-Mahtar M'Bow as Director General of Unesco is welcome in itself and for the signal it sends to entrenched bureaucrats in other international organizations. After 13 years, Mr. M'Bow had come to regard his \$170,000-a-year post as impregnable tenure. But his candidacy for a third, six-year term proved so divisive that his own Government in Senegal urged him to withdraw. Tellingly, the move was seconded by Soviet envoys to the United Nations Educational, Scientific and Cultural Organization.

Under Mr. M'Bow, the Paris payroll waxed, accounting for 70 percent of the budget, while output waned. Conferences, however, proliferated—and with them, so did gratuitous polemics about whether journalists should be licensed as part of a nebulous New World Information Order, rather than proposals to advance Unesco's goals. That's why there was little dissent when the United States pulled out in 1984, with Britain following suit, thereby reducing by a third the organization's annual budget of \$374 million.

What got lost was Unesco's solid, non-controversial success in campaigns everybody supports. Countries as different as Egypt and Mexico applaud Unesco's practical schoolroom programs on literacy. A valuable Unesco offspring is the International Council on Monuments. It preserves not just remote treasures like Indonesia's great Buddhist shrine of Borobudur but the threatened cores of historic towns. And Unesco's scientific exchanges seem likely to flourish under Federico Mayor Zaragoza, the Spanish biochemist and educator whose choice as Director General awaits formal ratification.

With Mr. M'Bow gone and reform back on the agenda, there are sound reasons for the United States to rejoin. Moscow's moves away from ideological posturing deserve American reciprocity. Yet the obstacle to rejoining is likely to be a Democratic Congress that has slashed away at obligatory dues to the United Nations. Somehow Democratic Presidential aspirants never mention this grievous lapse of a Democratic Congress in their lofty appeals for multilateral diplomacy.

Myths of the Metropolis: Fear in the Park

Central Park Administrator Betsy Barlow Rogers's 15-year-old son, David, arrived home covered with soot, proudly displaying \$17 he had just earned juggling fire in Central Park. "Magic Mark, the Jewish Juggler" had taught him how and appreciative audiences had flung coins and bills at their feet.

Jugglers and appreciative audiences: both would surprise many out-of-towners whose image of Central Park remains the dirty, dangerous one of the fiscal crisis a decade ago. Fear is now forgotten. From dawn till dark, the park attracts bicyclists and carriages, skaters and skateboarders, joggers and racewalkers, lovers and bookworms. As even a casual tour with Mrs. Rogers and Parks Commissioner Henry Stern demonstrates, the park is not only alive; it is invigorating.

Here in the West 70's is the lush new landscaping of Strawberry Fields, created in memory of John Lennon. On to the Sheep Meadow's great sweep of green. A graceful 100-year-old Paulownia tree in full leaf but badly rotted. Mrs. Rogers wants the tree uprooted before it falls. Mr. Stern resists, hoping this old friend can be shored up with cables.

They move on to the newly restored Bethesda Terrace. Five years ago, it was a hangout for drug pushers, a place of noise, mud and vandalized carvings. Now the pushers are gone; the fountain gushes above sloping lawns lined with evergreens. The tour ambles past the Naumburg Bandshell, an eyesore waiting to be removed. In its place, Mrs. Rogers and Mr. Stern plan a portable stage for summer theater.

Belvedere Castle looms ahead on its high ridge. Ten years ago, vandals had flung its coping stones into a pond; graffiti-smeared walls were tumbling. Today, children visit the castle, now in pristine condition, to see its leaf collection and aquarium.

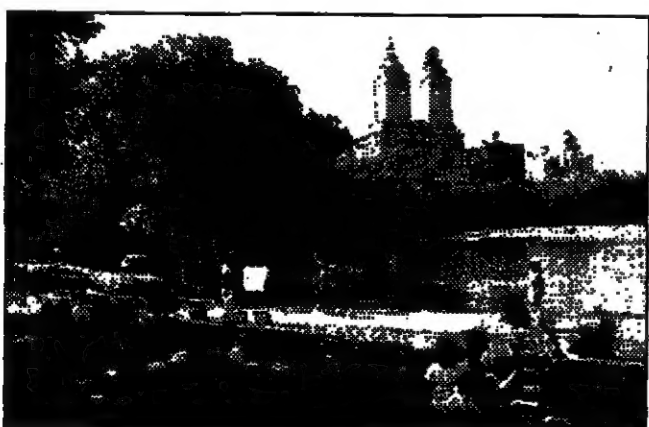
As they walk, Mrs. Rogers and Mr. Stern recall 1976. For lack of municipal money, maintenance for the park's 843 acres had halted. Meanwhile, antiwar protests, gay liberation rallies and New Year's Eve parties drew hundreds of thousands to the lawns and meadows, uprooting the sod and turning the park into a litter basket. Lack of resources and management meant clogged catch basins, gullied hillsides and choked stream beds. Trees died; statues crumbled; weeds flourished.

Enter the Central Park Conservancy, an organization of private citizens established in 1980 to restore the legacy of Frederick Law Olmsted and Calvert Vaux. The Conservancy raises funds to supplement, not replace, public dollars and it retained Mrs. Rogers, an open-space planner, as chief executive. The then Parks Commissioner, Gordon Davis, had the imagination to appoint her Central Park Administrator.

The tour shows the triumphant results. Nearly all 24,000 trees have been pruned. Some 56 acres of hard earth are now lawn. Literally a million daffodils, crocuses and wood hyacinths have blossomed. Some 50,000 square feet of graffiti have been erased; new graffiti are removed as they appear.

The tour proceeds. At one point, two rats chase each other across a path. At another, there are broken bottles. But otherwise, the sights are pleasing: artists working at easels; older people chatting on benches; riders trotting along the bridle trail. The rocky, eroded trail reminded Mrs. Rogers and Mr. Stern that much remains undone: The Harlem Meer, threatened by algae, cries out for dredging. The Great Hill needs a face lift. Paths need straightening and bridges rebuilding.

But Central Park is back, a place of pleasure and beauty. A renaissance has taken place. It's time to spread the news.



Sara Feder Miller

Letters

Beyond Left and Right, Let's Seek Common Sense

To the Editor:

By accusing the Democratic and Republican candidates of moving too far left or right on international issues ("Driving Foreign Policy to Extremes," editorial, Sept. 30), you attempt to equate a reasoned centrist position with some magical middle ground between the two.

In criticizing what you see as the Democratic move to the left, you suggest that to oppose the MX, the Midetman and the Trident D-5 and to oppose United States military presence in the Persian Gulf are unreasonable positions. But why is it a reasoned position to favor weapons systems that would at best duplicate an adequate (and more nearly invulnerable) deterrent force, and at worst waste valuable capital and talent that are urgently needed for economic revitalization on weapons systems more suited for fighting a war than for basic deterrence?

And why is it reasonable to favor a United States military role in the Persian Gulf when our military presence to date has only precipitated an escalation of Iranian and Iraqi at-

tacks on shipping, and provoked a xenophobic regime into more fanatical acts?

Moreover, why is it reasoned to emphasize new weapons systems and military-backed diplomacy when Mikhail S. Gorbachev is offering serious disarmament measures and urging international cooperation in the Persian Gulf? And why is it reasoned to focus so exclusively on issues of weapons and military power when the international economic and political challenges facing the United States, now a debtor country with a declining productive base, are becoming so daunting?

At a time when the nation must pull together to meet these challenges, it is important, I would agree, to avoid extremes. Cooperation among all parts of our society is critical. But the search for a reasoned centrist position must be based on reality and some sense of United States interests and goals in a rapidly changing international environment, rather than on a cold war continuum characterized by the Soviet threat and the pre-eminence of military power.

To try and judge American foreign policy by such anachronistic notions is to condemn the United States to a position of declining influence in a world in which economic strength, not military might, increasingly determines a country's success and in which international cooperation, especially between the East and the West, is becoming critical to sustained economic growth.

The reality is that we are now burdened with an international debt that is undercutting our ability to exercise international leadership on debt and trade issues. We are losing the economic race with Japan for new products and markets. We are being left behind in expanding East-West relations in Europe and East Asia. We are being outflanked diplomatically in the Middle East and the Persian Gulf by the new Soviet leadership. And we are all but ignoring the threat that debt-imposed austerity in Latin America is posing to new democracies there and to our own economic well-being.

The Democratic and Republican hopefuls are, as you say, "making a mess of foreign policy," not for the reasons you indicate, but because they are failing to discuss these realities. If you want to contribute to the development of a more reasoned centrist position, you would urge the candidates to focus on today's major foreign-policy issues: how to rechannel our best talents and resources away from excessive military spending and into revitalizing the American economy; how to respond to Mr. Gorbachev to maximize the possibilities for Soviet reform and international cooperation in the future; how to organize a global development scheme to revive flagging global demand and to restart economic growth in Latin America and Africa, and how to construct a new system of international economic cooperation so that our own efforts to boost our sagging economic performance are not derailed by shocks in the larger world economy.

Such policy initiatives are neither liberal nor conservative, neither Democratic nor Republican. They are the application of common sense and imagination to a world in which standard categories of left and right are no longer useful in framing our national debates.

ARCHIBALD L. GILLIES
President, World Policy Institute
New York, Oct. 14, 1987

When Deficits Soar and Markets Plummet

To the Editor:

In the day of the great 1987 stock market plunge, caused, according to many, by our continuing budget deficits, a contemplative view might be helpful. Going back to our founding days, it was Tom Paine who observed that "A long habit of not thinking a thing wrong gives the superficial appearance of being right."

If we look at the change in the national debt in constant dollars (adjusted by the Consumer Price Index), we can, perhaps, put the recent deficits in perspective. During President Truman's four years, the debt declined at an annual rate of 1.99 percent; during Dwight Eisenhower's term, it declined by 2.3 percent. It then started to increase—99 percent during the Kennedy-Johnson period and .82 percent a year in the Nixon-Ford period. It showed a decrease of .6 percent during President Carter's term.

But the panic comes from the six years under Ronald Reagan, when the rate of increase in constant dollars has been 9.65 percent a year—a

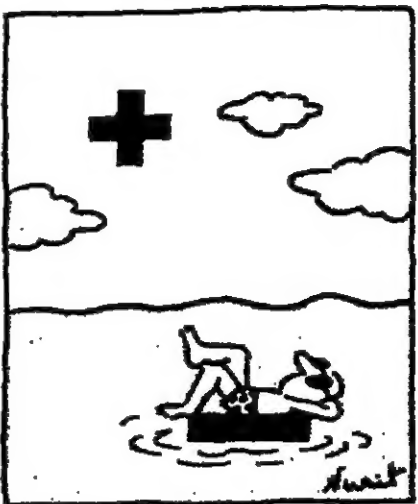


figure almost beyond comprehension. It is time we started thinking deficits are wrong, to be righted by bills passed by Congress that the President does not veto. ROBERT KAHN
Lafayette, Calif., Oct. 20, 1987
The writer is a management consultant.

Isn't It Time to Consider National Primary Day?

To the Editor:

To one citizen, watching the Presidential aspirations of the two major parties rushing from state to state to appeal to the local voters for support in their quest for the White House is like trying to kayak along the Mississippi River as it meanders 2,348 miles from northern Minnesota to the Gulf of Mexico. It can be done, but even the hardest souls might more than once find themselves up a creek without a paddle.

That's sort of how many of us feel as we are treated to a bewildering series of reports on Presidential candidates who debate out of town, changing their appeals to fit various local issues. Many of them are going to be eliminated from the race before we will be given the opportunity in New York State to decide for ourselves if we might prefer their candidacy in place of the ones remaining.

Why don't we consider a national primary day, which could follow a series of national debates by all the candidates in the running? Establishment of such a procedure would give all of us citizens an equal opportunity to cast our ballots for the candidate of our choice.

This would eliminate month after month of tiresome rhetoric, not to mention the expenditure of millions of dollars in statewide contests. And the voice of the American people would be heard as to who they feel would be the best candidates to run for the job of President of the United States.

JAMES A. WIGHT
Woodside, Queens, Oct. 7, 1987

We Close Down While the Russians Open Up

To the Editor:

The cutting of \$767 million from the budget of the Department of State ("The Front Line of Defense and Peace," editorial, Oct. 3) seems to an American research scholar in Europe particularly self-defeating.

Mikhail S. Gorbachev's new policy of "glasnost," or openness, is partly aimed at making the Soviet Union appear to be a more modern democratic state than before, and the appeal has its effect. Indeed, in the mid-19th century, Alexander Herzen, a Russian revolutionary, suggested that glasnost was the one ingredient needed for the Russian Empire to become a real partner in the European family of nations.

At this juncture in history, the United States should be on the offensive in spreading its doctrines of civil freedoms through as many channels of information as possible, instead of following an isolationist policy in its overseas expenditures.

The fact that through cutbacks, of minimal importance when compared with the trillion-dollar budget, the United States will close access to information about itself by shutting down libraries, eliminating cultural centers and reducing personnel seems ludicrous and certainly does not serve the interests of a world power that hopes to maintain its influence.

CYNTHIA H. WHITTAKER
Helsinki, Finland, Oct. 7, 1987

A Dole-Dole Ticket Trips Over the Constitution

To the Editor:

Tom Wicker's tongue-in-cheek column "A Dole-Dole Dilemma" (Oct. 15) misses the constitutional anomaly that the husband-wife ticket of Senator Bob Dole and Elizabeth Hanford Dole, former Transportation Secretary, would engender. The Constitution (Article II, section 1) and 12th Amendment (1804) require Electoral College members to meet in their respective states and vote for President and Vice President, "one of whom, at least, shall not be an inhabitant of the same State with themselves."

According to their entries in the 1987 Congressional Directory both Doles are "of Kansas." If they were

on the same ticket, the Kansas members of the Electoral College would be compelled to vote for only one. In a close national election this could produce a President of one party and a Vice President of the other. That very misfortune occurred in the election of 1800. The 12th Amendment was designed to prevent this possibility.

As women were ineligible for the Presidency and the Vice Presidency before the 19th Amendment, one wonders how the proponents of the doctrine of original intent would read the intentions of the Framers on this question.

CYRIL C. MEANS JR.
Professor, New York Law School
New York, Oct. 15, 1987

Dismiss Indictments to Curb Prosecutor Leaks

To the Editor:

In "When Prosecutors Violate Confidentiality" (Op-Ed, Oct. 12), Alan Dershowitz identifies a serious defect in our ability to assure that the persons accused of crimes obtain a fair trial in our system. The calculated leak is as much a part of the prosecutor's armory as wiretapping and informants. In each of these areas, the Department of Justice has guidelines and regulations that are unenforceable by those harmed by leaks.

Particular attention should be called to 23 CFR §50.2(B) in the Code of Federal Regulations. This section sets out the permissible outer boundaries of information that may be released to the electronic and print press in criminal cases. The Department of Justice enacted these regulations to control the conduct of prosecutors, specifically limiting what information can be released by prosecutors. Leaks are a means to avoid the regulations and to get information out to potential jurors; that is, to the public.

The United States District Court possesses the supervisory powers to dismiss indictments to control this problem. Trial judges are reluctant to grant permanent and effective relief.

The Times welcomes letters from readers. Letters for publication must include the writer's name, address and telephone number. Because of the large volume of mail received, we regret that we are unable to acknowledge or to return unpublished letters.

A few dismissals will permit the courts to curb prosecutorial leaks. Dismissal should occur without regard to exactly who spoke to the press. Release of grand jury information should result in an all but un rebuttable presumption of prosecutorial wrongdoing.

Release of secret information during grand jury investigations and other prosecutorial adventures ends up being an obstruction of justice under Title 18 of the United States Code, Section 1503. Unfortunately, prosecution of such offenses lies within the jurisdiction of the offender's office, so one of the most serious crimes against our justice system does not get prosecuted. As Juvenal wrote: "Quis custodiet ipsos custodes?" (Who will guard the guardians themselves?)

DAVID L. LEWIS
New York, Oct. 13, 1987
The writer is a lawyer.

One Man's Majority

To the Editor:

I have been unable to locate the remark that President Reagan attributed to Andrew Jackson in his weekly radio broadcast Oct. 10: "Andrew Jackson said once that one man with courage makes a majority. Obviously, Bob Bork has that courage" (front page, Oct. 11). John Knox, in the 18th century, said, "A man with God is always in the majority." Wendell Phillips remarked, "One on God's side is a majority." And Henry David Thoreau declared, "Any man more right than his neighbors constitutes a majority of one."

If it were possible to determine definitely which side is God's, perhaps that side, however small, should be the majority. But courage alone is no criterion of right. So even if Jackson did say it, the statement is open to question.

RENA G. KUNIS
Bellrose, Queens, Oct. 11, 1987

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William Safire

Jerking
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Around

WASHINGTON
When sorrows come," said the King in "Hamlet," "they come not single spies, but in battalions!"

Trust Mikhail Gorbachev to take full advantage of Mr. Reagan's tribulations — the defeat of his Supreme Court nominee, the shock of the stock market plunge, the illness of the First Lady — by breaking his repeated promises of a treaty-signing summit.

Just as at Reykjavik a year ago, the Russian leader dangled all sorts of arms reduction goodies before our Secretary of State, causing the Western world to salivate. Then — in a classic double-cross becoming known as "last-minute linkage" — Smiling Mike suddenly became stony cold and tied everything to abandonment of testing of the American nuclear shield.

You might think we would learn from this treatment that Mr. Gorbachev's assurances are meaningless, his negotiating technique duplicitous, his commitment to equitable arms reduction spurious. You would assume Mr. Reagan would learn that the more he shows his eagerness for a summit meeting, the higher the price the Russians will make him pay.

But Secretary Shultz blandly says he will await the mailman for the Soviet double-cross in writing. A New York Times editorialist promptly demands Mr. Reagan start "compromising on his Star Wars dream."

Next, we can expect the Democratic Senate, having just turned down a justice for being too legalistic, now will embrace the legalisms of Senator Sam Nunn in supporting the Soviet interpretation of the ABM treaty. And our bedazzled Kremlinology corps, eagerly awaiting the Soviet leader's propaganda tract ("Perestroika," \$500,000 advance from Harper & Row), will assure us that the last-minute linkage is not the fault of Smiling Mike but comes only from his enemies, who keep getting ousted or killed in helicopter crashes.

Now is the time for Ronald Reagan to forget his photo opportunity in history and to remember America's place in the world. Under pressure from both the double-dealer in the Kremlin and dovish Nunnites in the Congress, he should react not angrily, like a sumo wrestler, but coolly, like the leader of a superpower.

How much further proof do we need that the Russians regard his Strategic Defense Initiative as the answer to their intercontinental missile dominance? The Russians evidently know something about the future technology's ability to knock down missiles that our Union of Worried Physicists and Flippant editorialists do not know. Mr. Gorbachev hopes to outwit or outwait Mr. Reagan on what we see is the central strategic issue of our time: we cannot let him succeed.

First, the President should send a clear message that he will not be victimized a third time by last-minute linkage. He should appoint Gen. Edward Rowley to a new post of arms reduction czar. The Soviet side knows him to be an experienced, hard-line negotiator who speaks Russian fluently; George Shultz and Max Kampelman are patriots and will put the

How to
counter
Gorbachev's
'last-minute
linkage.'

need for a switch in time ahead of any personal considerations.

Next, in the Rowley Round at Geneva, it should be made plain that Start negotiations — about the reduction of long-range missiles capable of hitting the U.S. — take first priority. We should seize the Soviet desire for linkage: the I.N.F. negotiations desired by the Russians — about missiles capable of hitting the Soviet Union from Europe — will have to wait until the Kremlin gets serious about reducing the missiles that threaten the U.S. You want a package? Fine; you'll remain within medium-range missile range until you get serious about a package.

Third, Ronald Reagan should make clear that our red carpet is going to be rolled up and mothballed in March: he will pay nothing for the privilege of showing Mr. Gorbachev around. The next opportunity for a summit meeting will not roll around until late 1989, if that soon, under the next President; the Democratic candidates, as well as Mario Cuomo, should be ready to say that delay will get the Russians no easier terms.

To show we mean business, we should go all-out now on building our nuclear shield. The inextinguishable deployment will provide the only incentive for Mr. Gorbachev, or his waiting replacement, to stop the duplicitous minuet and make a deal on arms reduction and space-defense cooperation.

Mr. Gorbachev is aware of the batallions of sorrows marching on the Reagan Presidency, and senses he has the battered Mr. Reagan at his mercy. We will soon see if he has miscalculated his opponent's strength of character.

THE JERUSALEM POST

By Hugh De Santis
and Dimitri Simes

WASHINGTON
Pressure is mounting in the United States to respond positively to the reforms initiated by Mikhail S. Gorbachev. Public sentiment reflects our traditional feelings of compassion for the Russian people and a desire to build a more secure world. But it also reflects the congenital American tendency to substitute wishful thinking for realistic analyses of foreign affairs.

Simple prudence dictates that President Reagan and his successor proceed cautiously lest we have to pay dearly for hastily supporting the effort by our adversary to strengthen its power and appeal.

Changes in the Kremlin's conduct at home and, to a lesser extent, abroad are far from cosmetic and may have profound implications for East-West relations. But there is no consensus whatsoever about either the implications of these changes for America and about our ability to influence them in a desirable direction.

Supporters of a more conciliatory attitude toward the Soviet Union make three questionable assumptions. First, they believe that Mr. Gor-

Hugh De Santis and Dimitri Simes are senior associates at the Carnegie Endowment for International Peace.



Don't Blame the Deficit for the Crash

By Robert Eisner

CHICAGO
In the aftermath of Black Monday, almost everybody is knocking the deficit. And so it has always been, usually in the face of all reason and logic.

Republicans used to do it, blaming Democrats from Franklin D. Roosevelt on. And now Democrats think they can make good political capital, blaming Reaganomics and the Republicans.

It didn't take the politicians and financial wizards long to find the most convenient, and conventional, whipping boy.

Their argument goes this way: The market crashed because of those huge Federal deficits and the accompanying exploding debt. We can't keep "living beyond our means" without facing a final judgment. The market saw this and finally panicked in a (collectively futile) effort to get out in time. The remedy is clear: We have to get our act together and cut that deficit.

The one trouble with this line of argument is that it is wrong.

Robert Eisner, professor of economics at Northwestern University, is president-elect of the American Economic Association.

Throughout history, larger deficits have not brought on market declines. Over some 30 years, at least, increases in the budget deficit have been associated with concurrent and subsequent increases in the Dow.

The explanation is not hard to find for those willing to keep their eyes open.

Bigger deficits, unless brought on by recession, tend to stimulate the economy. Deficits entail more spending by the private sector when caused by tax reduction or more public spending when brought on by Government payouts — or both.

The most recent confirmation of this is the great five-year bull market that accompanied the hugely expanded budget deficits from 1982 on. And — the purveyors of conventional wisdom should think about this — in the last year the deficit has come down enormously. It was a tremendous \$221 billion in 1986 and about \$148 billion in the 1987 fiscal year, just ended on Sept. 30.

If large budget deficits caused the market to crash, why did the market roar along when the deficits were at their greatest and tumble only after the deficit fell by 33 percent?

There is indeed an explanation for what brought the market down, and that is rising interest rates.

As every investor knows, rising interest rates mean falling bond prices

media's openness in discussing the domestic scene starkly contrasts with the polemical treatment of international developments. Jewish emigration is up in 1987 but is five times below the 1979 peak of 51,000.

The prospect of political pluralism in the Soviet Union is still highly uncertain. Mr. Gorbachev recently told the France-U.S.S.R. Friendship Soci-

ety that there were severe limits to pluralism, Soviet style. "We openly say that nobody will be allowed to act against socialism," he stressed. His kind of democratization, while reducing bureaucratic abuses, in no way constrains the Kremlin's monopoly on power, especially where national security is involved.

An economically stronger, ideologically more acceptable Soviet Union would still be a formidable military rival. To be sure, Mr. Gorbachev has demonstrated an impressive degree of ingenuity and flexibility in acceding to intrusive arms control verification procedures and co-opting the American proposal to eliminate all but the shortest-range nuclear weapons from Europe.

But his acceptance of the so-called zero option for intermediate-range nuclear forces, which was cooked up by Pentagon hardliners as a propa-

ganda ploy designed to preclude an agreement, was not the dramatic concession some analysts have portrayed it to be. Soviet SS-20's were nearing the end of their useful service anyway, and the deployment of the SS-25 made them expendable.

Moreover, Mr. Gorbachev is already exploiting the political leverage in Western Europe that the I.N.F. agreement has provided him by pressing for the elimination of all nuclear weapons from the Continent. To view this offer as a "concession," taking into account the numerical superiority of Soviet conventional forces in Europe, would require an inordinate degree of optimism.

The Soviet record in other areas of international politics demonstrates even less cause for Western cheerleading. There is no shortage of declarations about the need for a "new way of foreign policy thinking" or for the adoption of a purely defensive military doctrine of "sufficiency." But the Soviet Union has not reduced either its military budget or its security assistance to its clients — including those adopted during the expansionism of the 70's — despite its lamentable economic condition.

New regional initiatives, such as the appeal for national reconciliation in Afghanistan, still appear to be self-serving attempts to neutralize resistance movements while keeping pro-Soviet regimes in power.

In Eastern Europe, Mr. Gorbachev preaches glasnost, economic reform and socialism with a human face. Just last summer, however, in a major speech in Warsaw he firmly reiterated the Brezhnev Doctrine, which justifies Soviet intervention in Eastern Europe in support of socialism. He also continues to press for a greater degree of Eastern European economic integration with the Soviet Union. The leash on which he keeps the Eastern Europeans may be longer but it is still the same leash.

Worst of all, the Soviet Union works indefatigably to undermine the international position of the United States. It says that American "neo-globalism" and "neo-colonialism" pose the principal obstacles to building a better world. And Mr. Gorbachev leaves no doubt that his conflict with the United States is not confined to the Reagan Administration.

While future Soviet intentions are a matter of conjecture, thus far Moscow's foreign policy successes have been accomplished more through determined public diplomacy than through major departures from the pattern of Soviet imperial assertiveness.

It is virtually certain that more changes will occur in the Kremlin's internal and external behavior. Many of them will deserve our sympathy and even cautious encouragement. But American foreign policy should be based on our national interests rather than on some vague hopes of influencing the Soviet political process.

As Mr. Gorbachev's recent mysterious 90-day disappearing act should illustrate, we simply do not know enough about what is happening

We run the
risk of
cosmetic
détente.

inside the Soviet power structure. There is no basis to argue that the relaxation of international tension and domestic reform are mutually reinforcing. Perestroika, after all, was launched during, and in some respects even as a result of, the big chill in the East-West relationship.

Furthermore, does anyone believe that the American political process — with its historic swings from despair to euphoria, with 535 political entrepreneurs in Congress micromanaging foreign policy — can generate the precisely timed, finely tuned policies required to influence Soviet internal politics?

The Soviet Union is and will remain a superpower. Attempting to push it around is a risky and ill-advised business. But the Russian empire is in trouble. It needs a foreign policy pause. But is it prepared to pay for it with anything of real importance to the West?

To reward the Soviet Union for the first tentative signs of moderation may only contribute to the feeling in the Politburo that no fundamental change is required.

The United States should not surrender the foreign policy initiative. Nor should we feel compelled at this important moment to make grand proposals. Considering the economic and social mess in which the Soviet Union and its Eastern European clients find themselves, time is on the side of the West.

What we need in the wake of the I.N.F. agreement and the anticipated November summit meeting is to reflect on what we want from Moscow. We must formulate a new conceptual framework in which to engage the Soviet leadership and to focus on issues — conventional forces, political autonomy for Eastern Europe, Soviet support for international terrorism — that enhance the West's interests, rather than patch together ill-conceived agreements that have nothing to do with our agenda.

Letting Mr. Gorbachev and his colleagues believe that well-packaged tactical flexibility would be sufficient to win Western concessions may, in the short run, deliver another round of détente. But without a coherent Western strategy and real changes in the Soviet Union, that would be a cosmetic détente. And, unfortunately, cosmetics never last.

ABROAD AT HOME | Anthony Lewis

Yearning to Breathe Free

BOSTON
Rules of procedure can look like lawyers' technicalities. But freedom often depends on whether the rules are fair. "The history of liberty," Justice Felix Frankfurter said, "has largely been the history of observance of procedural safeguards."

An issue rumbling in Washington now shows how much questions of procedure can mean in human terms. The issue is how to decide pleas for asylum in America: the pleas of men and women who say they are fleeing from persecution in another country.

Not just liberty but life may be at stake in asylum cases. Torture, religious persecution, political death squads — such fates may await a refugee whose appeal to stay here fails.

In the Refugee Act of 1980 Congress wrote into law the tradition of granting asylum to those seeking refuge from persecution. But not all claims of persecution are genuine. Someone has to sort them out.

Two months ago the Justice Department issued proposed new rules for handling asylum cases. They make a number of changes. One has aroused deep concern among the agencies and lawyers who deal regularly with requests for asylum and who know the heart-rending human stakes.

Today anyone claiming asylum has

the right, before being deported or excluded from the U.S., to press the claim at a hearing before an immigration judge. The hearing includes the usual protections of due process: representation by a lawyer, the right to call witnesses and so on.

The proposed new rules eliminate the role of immigration judges. Instead, those who seek asylum would go to the agency that polices the borders of this country, the Immigration and Naturalization Service.

I.N.S. employees designated as "asylum officers" would consider the cases. They could dismiss applications as "frivolous." In "non-frivolous cases" they would have what the rules describe as a "non-adversarial interview" with the person seeking asylum. That would seem to be less than a full hearing. A lawyer could be "present," but apparently without power to subpoena witnesses or documents or to cross-examine.

The crucial change is in the fact-finder: the person who decides whether the applicant has really suffered persecution or has reason to fear it. Instead of an independent judge there would be

an employee of the Immigration Service — an agency whose principal function is to exclude and expel aliens from the United States.

As a matter of appearance alone the proposal seems dubious. How can a refugee, someone who already feels weak and frightened, have any confidence in asking an officer of the very agency that arrests and deports aliens for asylum?

And it is not just a question of appearance. No American would think it fair to be tried on criminal charges by a police department employee.

The president of the National Association of Immigration Judges, John Gossart Jr., has made the point in a comment to the Justice Department on the proposed new rules. He and some other judges filed their individual views, taking different positions on various proposals.

"I think asylum is a humanitarian act and should be resolved in a non-adversarial setting," Judge Gossart said. "But the setting should not be in the agency whose function is the apprehension and expulsion of aliens. There would always be a credibility

problem. An agency denies someone asylum — and then the same agency seeks to deport him or her."

Many immigration lawyers are skeptical about the idea of "non-adversarial interviews." Pleasant as that sounds, they think it will work in practice to allow rushed and routine denial of asylum requests, without adequate fact-finding.

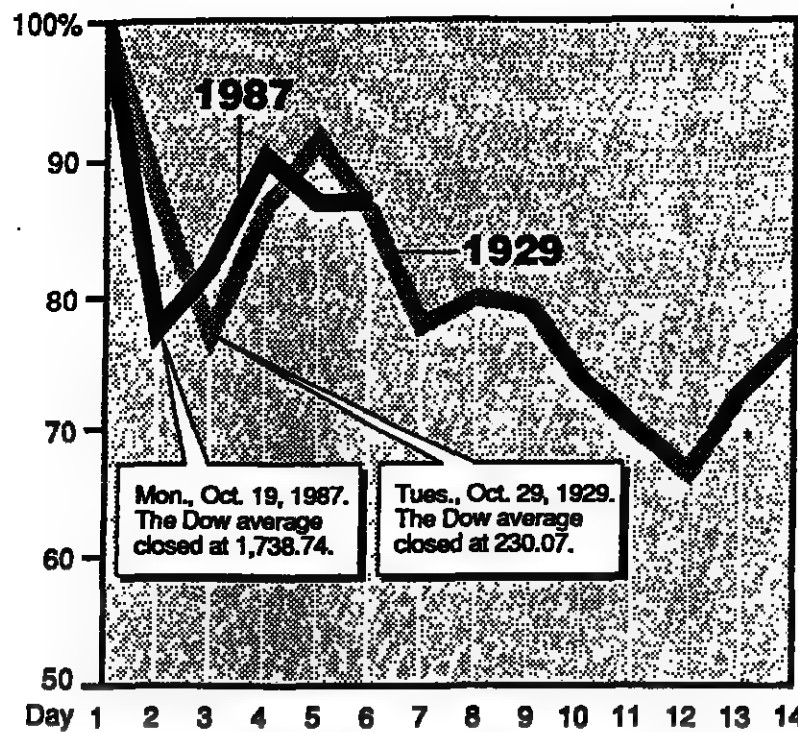
There is also concern that the granting of asylum will become even more politicized. The Reagan Administration's focus on left-wing tyrannies heavily influences the process now. Persons seeking asylum from the Sandinista Government of Nicaragua almost always win, for example, while fewer than 3 percent of refugees from El Salvador do.

Ever since the passage of the 1980 Refugee Act, Immigration officials have worried about the possibility of floods of aliens seeking asylum. They have considered various proposals to shortcut the process. But there is no great backlog of asylum cases now, no reason for panic.

The proposed new rules include some that are sensitive to the fragile situation of those who seek asylum. The time for comment on the proposals ends this week. It should be possible, then, for Justice Department officials to work out needed changes with those who know the human realities.

The new
asylum rules
need mending.

Assessing the Damage From the Market's Plunge



The Dow Jones: Today Versus 1929

Charted on a percentage basis, last week's stock market plunge followed a pattern remarkably similar to that of 1929. Shown: the daily percent change in closes of the Dow Jones Industrial average. For 1929, (gray line) the first day is Saturday, Oct. 26, when the Dow closed at 298.97. It fell to 230.07 by Tuesday, Oct. 29, the third day. For 1987 (black line), the first day is Friday, Oct. 16, when the Dow closed at 2,246.74. It fell to 1,738.74 on Monday, Oct. 19, the second day. To compare the two periods, the chart is indexed so that both first-day closes equal 100.

Source: Advest Inc.

Foreign Investors Staying on Sidelines

Foreign investors, once high rollers on Wall Street, are taking their new investment money elsewhere and are unlikely to return en masse until stability prevails, economists and international market specialists say. Some picked up blue-chip bargains after the market plunged, but most remain on the sidelines.

"Foreign investors are quite skittish about investing in U.S. equities," said Steven Roach, a senior economist with Morgan Stanley & Company, last Wednesday. This new leanness does not portend a massive sell-off by foreigners, who owned \$167.4 billion in stocks at the end of last year, many economists say. But it does mean that less foreign investment money will pour into the United States stock market.

A more reticent foreign buyer will mean a less bullish market, economists say, particularly since money

from overseas pushed the market to record highs. These experts say foreigners are now more likely to buy tangible American assets, such as real estate, and will also be investing in overseas markets overseas, including those in Japan and West Germany.

Paul H. Aron, vice chairman of Daiwa Securities, said foreign investors have taken a wait-and-see attitude toward Wall Street. If Monday's debacle moves the Administration and Congress to take action on the deficit, he said, foreigners would feel reassured and would return to the market.

Indeed, lack of action on the deficit was one factor that prompted foreigners to start investing elsewhere, said Yoshio Tsurumi, an economics professor at the Baruch Graduate School of the City University of New York and a consultant to Japanese

companies. That, combined with a burgeoning trade deficit and signals from Washington that the Administration might renege on its commitment to a stable dollar, caused concern.

And that shift in investment strategy predated last week's market plunge. Last month, he said, European and Japanese investors decided to start putting their new investment money in places other than Wall Street. It was a serious about-face. During the first six months of 1987, foreigners put \$18 billion of new money into the stock market, according to the United States Department of Commerce. In all of 1986, they invested \$17 billion of new money into the market — a fourfold increase over 1985 — and saw the value of old purchases rise by \$26 billion.

Economists said foreign investors generally act in concert, but the Japanese

react fastest. Of the \$309 billion worth of stocks and bonds held by foreigners at the end of 1986, the Europeans owned \$218 billion; the Canadians \$31 billion, and the Japanese \$25.3 billion. But in recent years, the Japanese have brought the most new money into the market, analysts said. Shinji Sasaki, director of research and a senior economist at Yamaichi Research Institute in New York, said that, for a while at least, the Japanese would turn to their own market. The Tokyo stock market dropped sharply at the beginning of the week, regained much of the loss by Thursday, and then fell again.

"In the long run, the U.S. stock and bond markets are very enormous, and so if Japanese investors become convinced that the dollar is stable or bottomed, they will return to the U.S. market, but I am not so sure they will come back soon," Mr. Sasaki said.

WEEK IN BUSINESS

The Street Endures Its Cruellest October

October's reputation for cruelty to investors is more firmly established than ever. The late 1970's saw the back-to-back October massacres of 1978 and 1979, with the Dow posting double-digit percentage losses in each of those months. Of course there was 1929 with its Black Monday on Oct. 28. Then there was October 1987. This brutal month's third week completed the task of wiping out all the gains of what had been a stunningly bullish year. The week began with a Black Monday that eclipsed 1929's — the Dow lost an unbelievable 508 points, or 22.61 percent, with volume exceeding 600 million shares. The Dow gained back 102 points on Tuesday, with volume again above 600 million, but the strength was confined to the blue chips. Wednesday brought some encouragement, with the Dow posting a record gain of 186.84 points in a broad-based rally. Thursday had a panicky start but a rout was averted and the Dow ended down 77.42 points, in context a moderate loss. Friday's trading was curtailed by two hours and exhausted traders called it a draw, with the Dow virtually unchanged. The Dow began the week at 2,246.74 and finished at 1,950.76, a loss of 295.98, or 13.2 percent. The Dow began 1987 at 1,895.95 and peaked at 2,722.42 on Aug. 25. It is off 28.3 percent from that high.

Bonds rallied as the jitters in equities caused the usual flight to safety. Refugees from the stock market who reached the bond market early in the week got yields of about 10 percent on the 30-year Treasuries, but demand was so heavy that by week's end investors were getting only about 9 percent. And gold, supposedly the most favored haven in times of upheaval, made price gains that seemed relatively modest for a situation that some were calling the gravest economic crisis since the Great Depression.

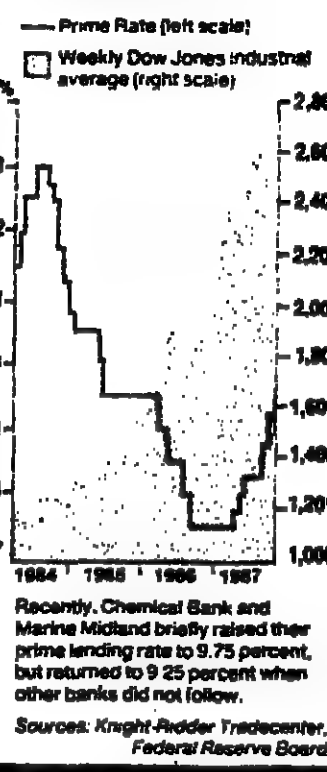
Banks rolled the prime rate back to 9 percent, from 9.25 percent, as the Federal Reserve made it clear that money and credit would be readily available as long as the crisis atmosphere persisted. The banking system was also gaining cash from the flight to safety. Two banks, Chemical and Marine Midland, that had raised their prime lending rate to 9.75 percent, had to back off when no other big institutions would go along.

The biggest buyers of corporate shares during a week of heavy selling were the corporations themselves. After prices were hammered so viciously, just about every company that could afford to do so announced buybacks of its stock. The buybacks were a way for companies to cast a vote of confidence in themselves, but another motive was to ward off corporate raiders who might be attracted by the bargain prices.

Some big plans came unwound. Samuel J. Heyman, chairman of the GAF Corporation, said early in the week that his group's buyout bid for the company would have to be revised or dropped because of the rise in interest rates since he made his offer. Carl C. Icahn withdrew his offer for the rest of T.W.A. after its shares fell \$5.75, to \$26, on Monday. Mr. Icahn's offer had been \$20 in cash and

Relationship of the Dow and the Prime Rate

The prime rate was lowered Thursday to 9 percent, from 9.25 percent.



Recently, Chemical Bank and Marine Midland briefly raised their prime lending rate to 9.75 percent, but returned to 9.25 percent when other banks did not follow.

Sources: Knight-Ridder Tradecenter, Federal Reserve Board

The New York Times, Oct. 25, 1987

\$25 in securities. The Dart Group canceled its \$6.62 billion attempt to take over Dayton Hudson and sold some of its Dayton stock at a loss.

Gross national product grew 3.8 percent in the third quarter, despite a poor trade performance. That beat the 2.5 percent pace of the second quarter but did not quite measure up to the first quarter's 4.4 percent.

The Nobel Memorial Prize in Economic Science went to Robert M. Solow. The 63-year-old professor at the Massachusetts Institute of Technology developed a mathematical model that emphasizes the role of technological progress in promoting long-term growth. His pioneering work, which began in the 1950's, has helped convince planners that education and technological research deserve at least as much attention as labor policy and capital formation.

In the aftermath of Monday's plunge, the search for causes and solutions began. Markets were shaken worldwide and governments moved to calm rattled investors. President Reagan, the Congress and the S.E.C. all set up investigations. A prime target of those inquiries was expected to be program trading, the "automatic-pilot" computerized trading that moves big blocks of stock quickly. But the technique continued to have its defenders. There were plenty of voices, including that of the President, insisting that the economy remained basically sound. And while no one dismissed the week's action as inconsequential, there were those who said it was just the market being the market, making a long-overdue correction to vastly overvalued security prices.

Largest Corrections of the Postwar Period

Bar chart shows the five biggest corrections of the Dow Jones Industrial average since the end of World War II. Friday, the Dow closed at 1950.76, down 28.4% from the 2722.42 market peak on Aug. 25. Last Monday's close of 1,738.74 represented a 36.13% decline from Aug. 25.

Source: Salomon Brothers Inc.

Percent Change	Date	Beginning Price	End Price
-35.94%	Dec. 3, 1968-May 26, 1970	985.20	631.15
-34.44%	March 13-Oct. 4, 1974	891.57	584.55
-27.10%	Dec. 13, 1961-June 26, 1962	734.90	535.75
-26.87%	Sept. 21, 1976-Feb. 28, 1978	1,014.78	742.11
-25.21%	Feb. 9-Oct. 7, 1966	985.14	744.31

Comparing the Market Averages

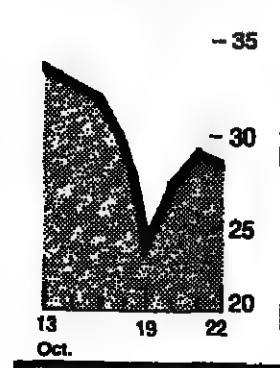
	Closing price Thurs., Oct. 22	Percent change from Oct. 13, 1987	Percent change from Aug. 25, 1987	Percent change from Aug. 12, 1982
Dow Jones Industrial average	1950.43	-22%	-28%	+151%
S.&P. 500	248.25	-21	-26	+142
New York Stock Exchange composite index	139.45	-21	-26	+137
Amex market value index	269.00	-22	-26	+13
Nasdaq composite index	336.16	-23	-26	+110

Stocks Tumbled, But Some Fell More Than Others

Daily closing prices of some of the most widely followed stocks, from Tues., Oct. 13 through Thurs., Oct. 22.

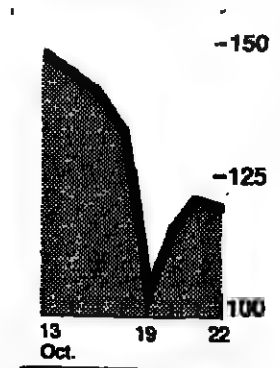
A.T.&T.

52-week high: 35.875



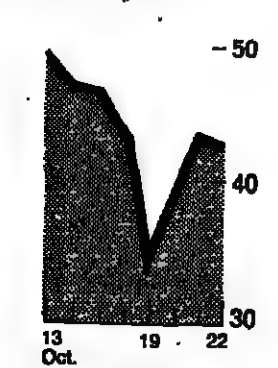
I.B.M.

52-week high: 175.875



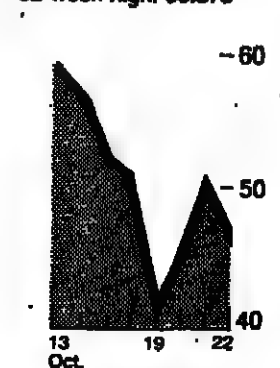
Exxon

52-week high: 60.75



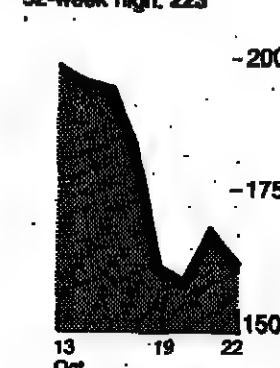
General Electric

52-week high: 66.375



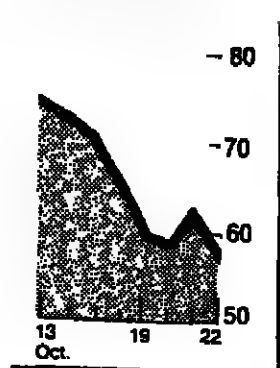
Merck

52-week high: 223



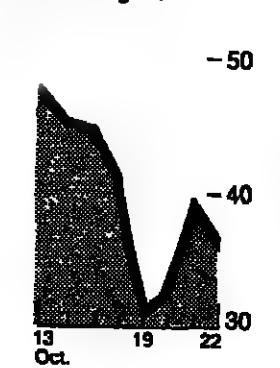
General Motors

52-week high: 94.125



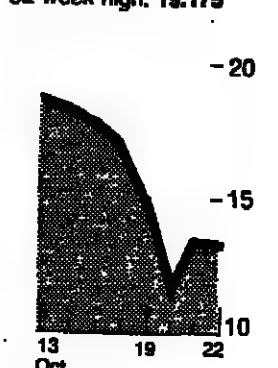
Sears

52-week high: 59.5



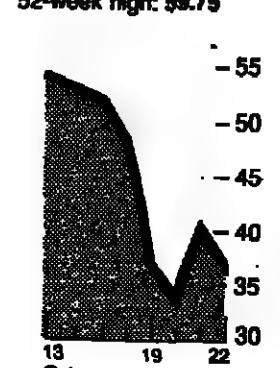
Wang Labs (B)

52-week high: 18.175



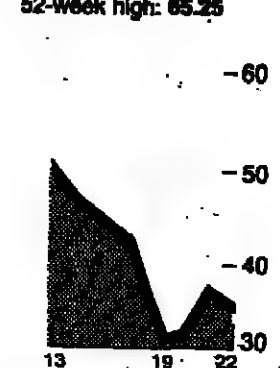
Apple

52-week high: 59.75



Genentech

52-week high: 65.25



The New York Stock Exchange

MOST ACTIVE STOCKS WEEK ENDED OCTOBER 23, 1987

Company	Sales	Last	Net Chng
AT&T	37,080,900	28%	-1%
Gen El	28,212,200	46%	-4%
IBM	23,274,700	120%	-14%
Dart Ind	22,765,700	28%	-18%
Exxon	22,581,900	44%	+1%
S.F. S&P	21,828,000	54%	+3%
Navistar	20,324,300	4%	-1%
A Exp	19,877,600	26%	-4%
Ford M	19,560,200	74	-10%
Qibote	19,267,700	27%	-5
Wt Semi	15,924,100	11%	-5%
Chrys	15,870,900	26%	-6%
G Mot	15,723,800	57%	-8%
USX	15,720,300	27%	-6%
Walt Mt	15,591,200	27	-2

Standard & Poor's

400 Index	225.4	246.2	282.1	-0.89
20 Transp	231.6	172.2	192.5	+0.36
40 Util	111.5	102.4	108.5	+1.37
40 Financial	27.9	21.7	24.1	+0.21
800 Stocks	282.7	216.4	248.2	-0.03

Dow Jones

30 Index	2184.1	1616.2	1950.7	+0.33
20 Transp	922.0	658.7	749.6	-2.11
15 Util	187.9	158.2	163.5	+2.02
65 Comb	809.7	612.0	721.7	+0.70

The American Stock Exchange

MOST ACTIVE STOCKS WEEK ENDED OCTOBER 23, 1987

Company	Sales	Last	Net Chng
Hindal	4,820,900	6%	-2%
Wang	4,801,200	12%	-4%
EchBay	4,792,000	20%	-5%
TexArk	4,164,300	15%	-6%
NY Time	3,141,500	31%	-4%
Alza	2,791,300	23	-6%
Hester	2,736,200	13%	-2%
Teleph	2,573,500	3%	-1
Amdahl	2,513,800	29	-14%
ENSCO	2,508,300	2%	-1%

MARKET DIARY

	Last	Prev.
Advances	253	143
Declines	1,908	1,944
Total Issues	2,208	2,188
New Highs	12	31
New Lows	1,516	479

VOLUME

	Last	Week	Year
Total Sales	2,289,584,406	34,874,836,758	
Same Per. 1986	621,432,530	28,893,483,814	

WEEK'S MARKET AVERAGES

	High	Low	Last	Change
New York Stock Exchange	185.5	147.9	164.9	-0.76
Transp	136.4	108.1	121.0	+0.74
Util	71.7	61.8	71.2	+0.59
Finance	137.8	112.4	126.5	+0.25
Composite	153.7	122.4	139.2	-0.23

MARKET DIARY

	Last	Prev.
Advances	55	35
Declines	971	850
Unchanged	22	101
Total Issues	1,048	1,038
New Highs	10	13
New Lows	846	207

VOLUME

	Last	Week	Year
Total Sales	156,888,890	2,882,055,305	
Same Per. 1986	44,379,949	2,455,745,914	

Does a prisoner have a right to a sex life?

LAW REPORT/Asher Felix Landau

In the Supreme Court sitting as the High Court of Justice, before Justice Menahem Elon, Justice Aharon Barak, and Justice Dov Levin, in the matter of Haim Lewis Weil, petitioner, versus the State of Israel and others, respondents (H.C.114/86).

THE PETITIONER, an Orthodox Jew, was sentenced to a long term of imprisonment. Under prison regulations, a prisoner is not entitled to any leave until he has served a quarter of his sentence. Thereafter he may receive ordinary leave once in three months, and may also be given special leave for not longer than 96 hours once a month, or once in two months.

Special leave, however, is a privilege given by the minister of police and prisons on the recommendation of the commissioner of prisons. Such leave is given for specific reasons, namely, to strengthen the ties between the prisoner and his family and circle, to afford him temporary relief from prison conditions, and to encourage his good behaviour.

The petitioner requested the prison governor to grant him leave once a month in order to have conjugal relations with his wife. He asked that he be released under guard or after giving security for his return, or that facilities be made available in the prison. His request was refused, and he then applied to the High Court of Justice for an order on the prison authorities to grant his request.

THE FIRST judgment was given by Justice Menahem Elon. The petitioner, he said, relied on the biblical command, "Be fruitful and multiply" (Gen. 1:28), and on the injunction to a husband to afford his wife her marital privileges (Ex. 21:10).

The petitioner had partially fulfilled the first command, since he had sons and daughters, and grandchildren, but the Halacha required its fulfillment for as long as the parties were fertile. Moreover, the second injunction was to be fulfilled at least once a month.

The petitioner argued, therefore, that just as his imprisonment could not deprive him of his right to pray, to keep the Sabbath, and observe the laws of kashrut and other ritual commands; it could not release him from the two other obligations now under consideration. He also argued that conjugal relations were natural and vital for everybody, almost equivalent to eating and drinking, and could not be affected by his imprisonment.

Counsel for the respondents had contended that leave was a privilege, and that conjugal relations were not a ground for leave under the regulations. Moreover, the petitioner had been granted leave, and would also enjoy this privilege in the future, and there was no reason why he could not fulfil the biblical duties imposed on him while on leave. Counsel had also stressed the practical difficulties in granting the petitioner's request.

Deprivation of the right to conjugal relations was not a necessary result of the limitation of freedom of movement involved in imprisonment, Justice Elon continued. A balance had to be struck between the deprivation of freedom, imposed by law, on the one hand, and the prisoner's right to normal sex relations on the other hand.

The general principles relating to this problem had been discussed in Jewish law, and also in judgments of the Supreme Court; but the specific question now arising had not yet been before the court. It had, however, been discussed in judgments and writings in other countries.

ARRANGEMENTS for conjugal visitation said Justice Elon, had been introduced to some extent in the United States for example, in the Parchman prison in Mississippi, and had also been accepted in other countries such as Spain, Mexico and Sweden.

Research had shown that such facilities strengthened the bond between a prisoner and his family, markedly reduced the conflicts and tensions characteristic of a prison population, and greatly reduced homosexuality.

These features were, of course, of great sociological significance, but it was important to note that in the U.S. no legal basis for their introduction had been recognized. Attempts were made to characterize sexual deprivation as "cruel and unusual punishment" in violation of the Eighth Amendment to the Constitution, but it had been held that "a claim for sexual visitations would not come up to the level of a federal constitutional right so as to be recognizable as a basis for relief in a federal court."

Similarly, "the absence of conjugal visitation in prisons is not excessive punishment in itself or disproportional to plaintiffs' crimes. It is merely a concomitant of the punishment of incarceration."

"Plaintiffs allege that they are suffering physical stress; yet less than ideal physical conditions characterize prisons; for example, institutionalized diets, confining cells, limited exercise, lack of quiet."

"They also allege they have suffered psychological stress, but psychological stress, like loneliness, boredom, wasted time, and the other wages of incarceration, do not in fact and therefore cannot in law constitute cruel and unusual punishment. By a parity of reasoning, a denial of conjugal visits does not constitutionally destroy or impair an inmate's human dignity."

Justice Elon also cited an American case similar in principle to the present one in which an Israeli Moslem claimed that "consortium was a mandated tenet of his religion," and its denial a violation of his constitutional right, under the First Amendment, to freedom of religion.

This argument, too, was overruled, the court holding that "First Amendment rights...can be justifiably limited when they conflict with the legitimate penological objectives of the corrections system. It is necessary...to balance the rights of the individual prisoner against the need of the institution to protect the public while limiting as much as possible the burdens and expenses of prison administration."

REFERRING TO the general attitude of the Halacha, Justice Elon stressed that sexual desire was regarded as acceptable and positive. Judaism, unlike other religions, utterly rejected sexual abstinence, both in general and for those fulfilling religious functions. The rejection of sex, like other worldly pleasures, was regarded as negative. The only demand of the Halacha was that a man must indulge his instincts with balance, and not to excess.

Justice Elon then dealt with precedents of the Supreme Court relating to the present issue, citing the principles laid down in the case of Tamir (Prisoner's Appeal 4/82-The Jerusalem Post, Feb. 1, 1984).

It was stressed there that basic Jewish law rejected imprisonment as a punishment. When, however, under the influence of other legal systems, it was compelled to recognize this factor, our sages warned of the need to preserve the dignity of a man even when he was imprisoned. When, therefore, the prison authorities wished to deprive a prisoner of any of his rights, they were entitled to do so only after striking a reasonable balance between those rights and the security and administrative demands of the prison.

In another case it was held that youths convicted of terrorism should be permitted to continue their studies, subject to prison security and budgetary considerations. On the other hand, the court had justified the refusal to supply prisoners with movable beds, since it was convinced that the authorities, after proper investigation, had established that, in the circumstances, the misuse of the beds, and parts of them, constituted a real security risk.

ALTHOUGH HE HAD found no direct authority in Jewish law on the specific point now raised, Justice Elon said that the general approach could be inferred from an analogy with the rules relating to the expulsion of someone who killed a man accidentally to a city of refuge.

It was true that both in the Bible and in the Halacha, this practice was based on the need to protect the killer from the vengeance of those aggrieved. However, it was also regarded as containing an element of punishment, and the killer was to be expelled even if the danger of vengeance no longer existed, and even if he voluntarily waived this protection.

Justice Elon emphasized that the killer was to be expelled with his family, and was to be provided with the means for accommodation and maintaining himself, and for study and education.

After detailed examination of other features of life in the cities of refuge, Justice Elon stressed that the killer's family life remained unimpaired, and this result should also be achieved, as far as possible, when a man was imprisoned, subject only to the essential demands of prison security and administration.

It was not only in the prisoner's interest that this should be done, but also in the interest of reducing tensions and other dangerous features inherent in life in prison.

Turning again to the prison regulations, Justice Elon noted that strengthening the ties between the prisoner and his family was one of the stated purposes of special leave. This general statement, however, was not enough, and it was desirable that specific provision be made, either in the framework of leave, or on some other basis, for the prisoner to fulfil his marital obligations.

While the existing regulations were reasonable, they were incomplete. Introducing the necessary provisions, however, demanded amendment of both the law and the regulations; the consideration of complicated security arrangements; and finding the necessary funds. The radical and substantial changes called for were a matter for the legislature, and not the court, which could only hope that this very desirable task would be undertaken.

For the above reasons, Justice Elon proposed that the petition be dismissed, with no order as to costs.

Justice Aharon Barak agreed with his colleague. The question of conjugal visits was a matter for the authorities to decide, after finding a balance between the various factors mentioned by Justice Elon. He would add, however, that this balance should apply to all prisoners, whether married or not.

Justice Dov Levin concurred in the judgment of Justice Elon.

Masha Wallfish appeared for the petitioner, and Nili Arad, senior assistant state attorney, for the respondents.

The judgment was delivered on August 9, 1987.

MUSIC REVIEWS

Rosalind Plowright: serious and exciting

ISRAELI PHILHARMONIC ORCHESTRA. Light Classical Music. Zohar Mehta conducting with Rosalind Plowright, soprano (Mann Auditorium, Tel Aviv, October 24). Music by Liszt, Puccini (Introduction to act three of *Manon Lescaut*), Montezuma (Overture to the opera *Halka*), and Dvorak. Operatic numbers from *La Vestale* by Spontini; *Meiselfe* by Ballo; *Otello* by Verdi and *Il Pirata* by Bellini.

ALTHOUGH WE ARE at the beginning of the season, and it is too soon to tell what the future holds in store, this concert will certainly be remembered as one of the year's most exciting.

To typify this concert as "light classical music" is to seriously misapprehend the event, because with the possible exception of Liszt's *Hungarian Rhapsody* and Dvorak's *Slavonic Dance*, this concert dealt with deadly serious matters. Rosalind Plowright sang about tragedy, disaster, and death, and she did it with a moving depth of feeling, with total identification and with an irresistible power of representation.

The scenes from *La Vestale*, *Meiselfe*, *Otello* and finally the exciting *Il Pirata* were not only all overwhelmingly beautiful, but stirred our deepest emotions and made us, for long moments, part of the great operatic art. Plowright's singing mastered both the most delicate lyricism and the strongest dramatic tension. She passes constantly from one mood to the other in the most natural and confident manner.

All her numbers had full continuity, with transitions from recitative to aria all natural and convincing. Miss Plowright shows immense sympathy for all her heroes, and her performances are so vivid and alive that one gets the feeling of attending a fully staged performance. Finally, it was of course the beauty and power of her voice that turned this concert into a great event.

Rosalind Plowright is a great operatic singer with a splendid future. We are immensely grateful to maestro Mehta for bringing her to the IPO stage.

Mehta's accompaniments were superb, contributing in each aria to the full expression of the relevant situation, atmosphere, mood and emotional state.

BENJAMIN BAR-AM

HSO's fine programme required a larger choir

HAIFA SYMPHONY ORCHESTRA. SUBSCRIPTION CONCERT No.1. Stanley Sperber, conductor with the Israel National Choir, Rinaat Haifa, Auditorium, October 19. Haydn: *Salve Regina* in G Minor for 4 voices, organ and string orchestra; Bach: *Cantata No.191*; Dvorak: *Symphony No.6* in D Major, Op.68.

THIS EVENING STARTED the Haifa Symphony Orchestra's 38th season, and the programme was a fine choice. The Rinaat Choir's singing showed clear and clean intonation, dynamic gradings and good diction. However, it emerged as too reserved on the podium of the Auditorium Hall. No doubt a larger choir would have been more suitable, especially in the rendition of the Bach Cantata. Conductor Stanley Sperber is also the musical director of the Rinaat Choir.

The Haydn *Salve Regina* in G Minor was given a serious and involved presentation. But the organ part was too loud, overshadowing the singers and impeding the balance between the participants.

After the interval, Sperber and the musicians of the orchestra achieved good results in the playing of the Dvorak lesser known *Symphony No.6*, formerly labelled as No.10. Definitely not one of the composer's famous and great works, it is an engaging work full of flowing melodies and dance rhythms. The enjoyable presentation displayed the spontaneity and the freshness of this music. There were good solos and the Scherzo, cast in the furious rhythms with its sweeping motion, successfully propelled the work to its lively finale.

ESTHER REUTER

Evening saved by Mahler's challenge

JERUSALEM SYMPHONY ORCHESTRA IBA. Juan Pablo Izquierdo, conductor; Aurora Nalata Glastera, cello. (Jerusalem, Henry Crown Hall, October 21). Bach: *Air from Orchestral Suite No.3*; Glastera: *Cello Concerto No.2*; Mahler: *Symphony No.5* in C-sharp minor.

THE OPENING work in this concert was a substitution, introduced in memory of cellist Jacqueline du Pre. While the conductor allowed for a spacious and elegant reading, the upper strings seemed to miss the point, never letting the tone sing out fully.

This same reticence characterized the solo cello part in the Glastera concerto; not until the cadenza of the last movement was there a sense of digging into the spirit of the music. By contrast, however, conductor and orchestra provided throughout support at once colourful, spirited and very well coordinated. With Mahler the evening finally

came together. The opening fanfare set a dramatic and moving tone for a performance in which the full orchestral complement took up the challenge, offering a reading which approached magnificence. Especially in works of such breadth and scope are questions like balance and elegance fundamentally important, and here the conductor was in full control of a ready and willing orchestra.

If there were a few unwieldy moments, they occurred in the third movement when some of the sense of pointed thematic direction was fuzzy. But the strings offered a fourth movement of depth and brilliance, and the ascending climaxes of the finale, even at the late hour, abounded with freshness and excitement.

Altogether an auspicious finale to the first concert of the JSO's fiftieth season.

DANIEL ZIFF

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Hypercol, Kiryat Ata Junction, Sunday through Thursday, open till midnight

Holon 36 Professor Shor St Wednesdays and Sundays, till Thursdays, open till 21.00

Rishon LeZion 84 Lishansky Bldg. Industrial Zone Sundays, Mondays, Tuesdays, Wednesdays and Thursdays, open till 21.00

Petach Tikva Opposite Beilinson Sundays, Mondays, Tuesdays, open till 21.00, Wednesdays and Thursdays open till 24.00

Haifa Check-post open till 20.00

Jerusalem Talpor Industrial Zone Sundays, Mondays, Tuesdays, open till 20.00, Wednesdays and Thursdays open till 22.00

Saturday evening 19.30 till 22.00

Jerusalem Givat Shaul Bet Sundays through Thursdays open till 20.00

Saturday evening 19.30 till 22.00

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היפרכול

לקנות ולהנות מכל היתרונות

Michael Adler, Ike Goldenberg also have interests in Israel

Investors upbeat on Wall Street

By GREER FAY CASHMAN
Last Tuesday morning, after panic had swept Wall Street, London, Frankfurt, Paris, Tokyo and Sydney, a Miami investor, on a business trip in Israel, called his broker in the U.S. and gave him instructions to buy Michael Adler, 36, president of Adler Group, Inc., the third largest commercial developer in South Florida was not at all afraid that last week's crash might parallel that of 1929.

The subsequent turn-around in trading on the New York Stock Exchange indicated that Adler's judgement may have been correct. Because the panic was nipped in the bud, "and brought us back to last year, which wasn't so terrible" said Adler two days later over a breakfast of poached eggs on toast at the King David Hotel, Jerusalem, he feels fairly confident that the situation will remain stable.

"Nonetheless," interjected his partner Ike Goldenberg, "it's at times like these that we're glad that we have business interests in Israel." Those interests include a partnership with Scharf's Furs, bidding on joint venture construction projects for the government; investments with IBI Ltd.; the marketing in the U.S. of Israeli-manufactured swimming pool equipment and most

recently a share with two other American investment groups in the acquisition of the Kol-Bo Shalom department store chain.

The combined groups are headed by Marvin Goldklang, a corporate investment attorney, who currently operates an investment group under his own name. The third group in the trio is under the leadership of Haim Edelstein, the chief executive officer of Abraham and Strauss, which is one of the largest department store chains in the United States.

According to Adler, Jews have the world's most successful track record in the department store business — but somehow or other that record seems to have by-passed Israel. Adler believes that there is great potential here for department stores providing that they are properly managed.

Marketing and merchandising he says, are not Israel's strong points. He predicts major changes at the Shalom stores, but will not spell out exactly what these will be. Merchandise currently in stock is being re-evaluated, and Adler surmises that a lot of American products will be introduced to the stocks.

Involved in free trade legislation in the U.S., Adler makes no secret of the fact that some of his business

here is motivated by the desire to find a good springboard from which to do business with Europe. Given Israel's special trade relationships with the EEC and the U.S., Israel, emphasizes Adler, is a desirable place for anyone to do business in either direction.

Though heavily committed to the United Jewish Appeal, of which he is currently the youngest National Vice Chairman, Adler does not allow sentiment to get in the way of business. Describing himself as a "constructive capitalist" he doesn't touch any business venture unless he is very sure that it's a money maker.

As far as Israel is concerned, his decisions are based both on the product and the person running the show at local level. If he doesn't have complete confidence and trust in that person, it doesn't matter how good the product is, he won't buy into it.

The investment in Scharf's Furs is his group's second venture into fashion. The first specializes in the design and manufacture of formal wear for men. The Adler Group's many diversified companies in the U.S. include insurance, paging, commercial realty brokerage, banking, construction, travel and a world-wide commodity import/export organization.

Sharir wants more money for tourism

By GREER FAY CASHMAN
Jerusalem Post Reporter
Notwithstanding the government's headline policy on expenditure, Tourism Minister Avraham Sharir yesterday asked the cabinet for additional funding.

Sharir wants to tag NIS 18.4 m. on to his ministry's NIS 29 m. budget — to be used to develop tourism infrastructure in resort towns and in Judea and Samaria. The allocation for the latter is NIS 3.2 m. The average annual government investment in tourism infrastructure is around \$4 m.

Sharir also asked for an extra NIS 8 m. for marketing and promotion abroad, for which NIS 21 m. has already been budgeted.

Also on his list of requests was a \$25 million loan fund for sprucing up hotels and a 25 to 75 per cent discount on land prices on state-owned properties in development towns, on which tourism projects will be constructed.

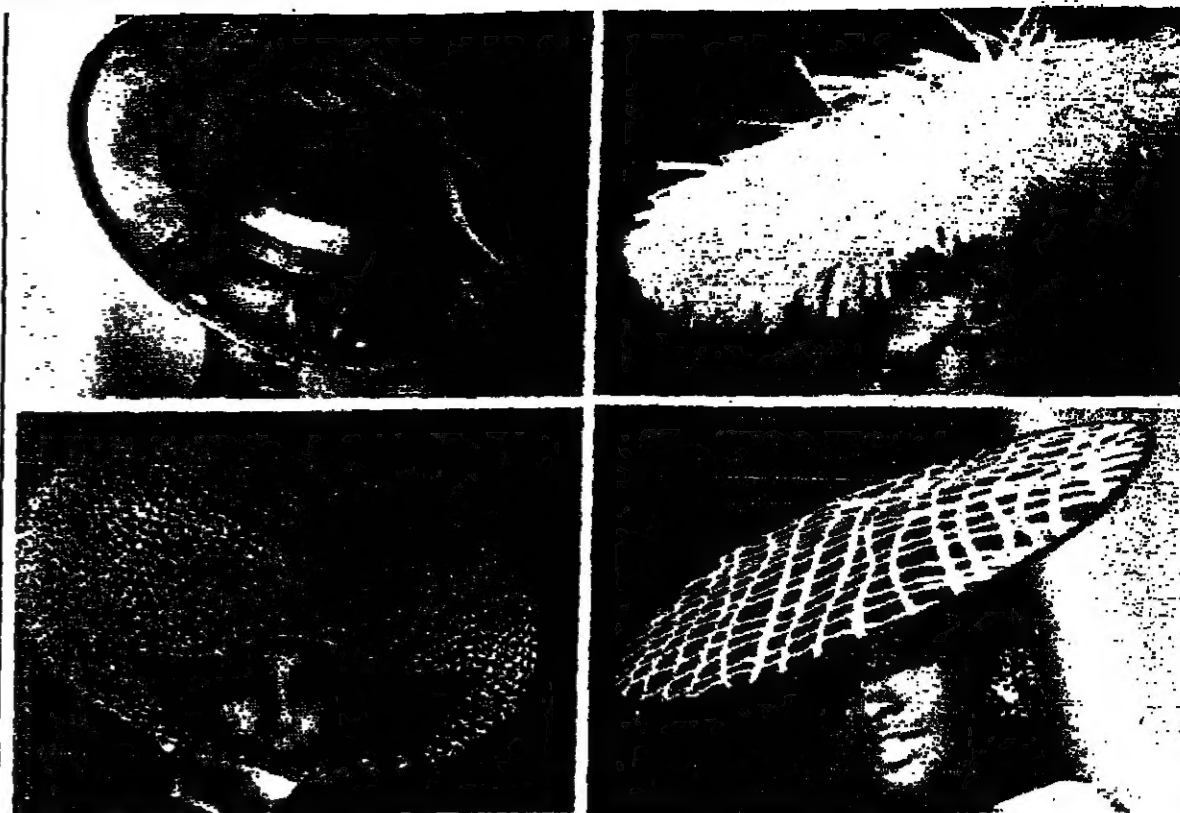
In order to keep foreign currency at home, Sharir sought government cooperation in the encouragement of domestic tourism through holiday savings schemes to be formulated by appropriate government representatives and the bank networks.

Sharir met with a much more favourable response than in the past, with most of the cabinet members, including Prime Minister Yitzhak Shamir, acknowledging the value of tourism to the economy and endorsing Sharir's own view that tourism is deserving of greater encouragement. Sharir found an ally even in Finance Minister Moshe Nissim, who is willing to give consideration to a larger allocation for tourism in the next budget, if he still happens to be in office at the time.

Meanwhile the government has charged Nissim, Sharir and Economic Planning Minister Gad Ya'acobi to examine all the options outside of the State budget, with a view to getting extra funding for immediate needs.

New course at Technion

Jerusalem Post Reporter
HAIFA. — Some 500 Technion students have started a new course in "Technological Entrepreneurship," which opened in the general studies department. The course will be taught by faculty members and successful managers of high-tech industries and venture capital institutions. It will train students to convert new technological ideas into viable businesses.



Wide flat hats featuring several see-through-the-brim designs were worn by Yves St. Laurent's models when he presented his spring-summer collection of ready-to-wear items in Paris last week. (Reuters)

Israeli device measures time again and again

By KEN SCHACHTER
TEL AVIV. — A device developed by two Israelis could catapult parking into the computer age, according to Ephraim Reiner, managing director of M.S. Goldklang & Co. (Israel) Ltd.

The device, about the size of a pocket calculator, would be hung in the car's window, much like the paper tickets used in Israeli cities. But unlike a paper ticket, which cannot be used again even after a five-minute stop, the "Parkulator" is simply turned off. It can be re-used for weeks or months until its time runs out. The motorist sets the Parkulator according to the zone in which he parked. A display in the device's window allows police to know if the Parkulator is expired or if the motorist is parked overtime in a restricted zone.

'Ex-Im Bank would finance projects on the West Bank'

By KEN SCHACHTER
TEL AVIV. — A director of the U.S. Export-Import Bank last week said that the agency wouldn't rule out financing projects on the West Bank if clearance is granted by the political echelon.

Simon Fireman, who also heads the six-month-old Interagency Task Force on Trade, said the Eximbank "would be happy" to finance the shipping of U.S. exports to the West Bank assuming the needed political waivers are received.

Speaking at the U.S. Embassy, Fireman said that his agency wouldn't flinch at lending to financially troubled companies such as El Al, which remains in receivership despite showing a profit last fiscal year. "El Al is as sound as the State of Israel," he said. "We'd like them to buy more."

The Massachusetts businessman, who is chairman of Aqua-Leisure Industries, denounced the "predatory financing" offered by many industrialized countries to exporters. A 1986 study by the U.S. General Accounting Office showed Japan and Great Britain providing incentives — or from the American point of view, subsidies — for 35 per cent of their exports. France gave incentives for 12 per cent, while the U.S., via Eximbank, supported only 6 per cent of its exports.

Fireman's fact-finding mission to Israel and his work on the Task Force and the Eximbank are part of a campaign to reduce the crushing trade deficit faced by the U.S. He is scheduled to meet representatives of the Bank of Israel and the Ministries of Finance and Trade and Industry.

Histadrut says it helped make 1,172 jobs

By JEFF BLACK
The Histadrut claimed last week it was the only organization actively working to increase employment in development towns, although this was later disputed by the Industry and Trade Ministry.

Zvi Tsafiri, the coordinator of the labour federation's "Momentum for Growth" fund, said this non-profit association had helped create 1,172 jobs since the fund started operating in April 1986.

The idea for the fund was first conceived by Histadrut secretary-general Yisrael Kessar at the Histadrut's 15th congress in November 1985. Kessar called on workers around the country to donate three days' pay over a period of 18 months. This money would then be used to finance loans to factories meeting the fund's criteria.

Tsafiri said the main aim was to create employment outlets in development towns for recently demobilized IDF soldiers. So far, the fund has received NIS 8.2m, although Tsafiri said another NIS 20m had

been promised by works committees around the country.

This sum of NIS 8.2m. has been doubled through an arrangement with three banks: Hapoalim, Leumi and the Industrial Development Bank. Under the agreement, these banks match the fund's seven-year loan, which is linked but does not carry interest charges, with their own loan. This bank loan offers better terms than the normal commercial rate.

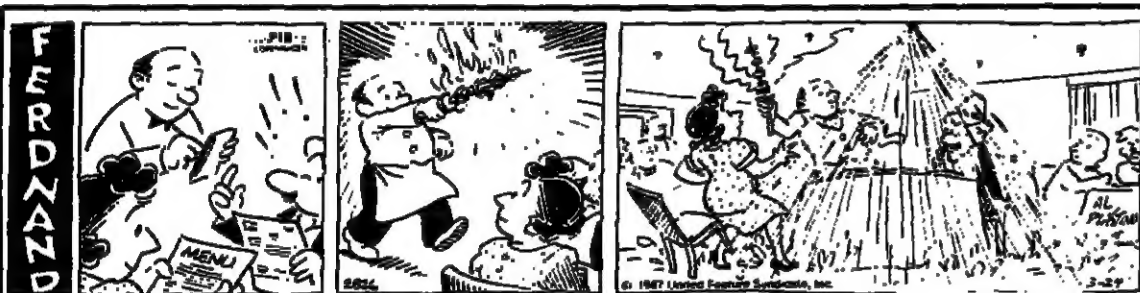
The Industry Ministry, meanwhile, pointed out last week that NIS 8.2m. alone does not go very far in solving the problems of development towns. Ministry officials, while expressing their support for the fund's work, said the fund does not replace the ministry's investment authority, which this year will hand out approximately NIS 300m. in grants to factories around the country.

So far, 39 factories have received loans from the "Momentum for Growth" fund. Tsafiri was quick to point out that 24 of these factories

were under private ownership. He insisted that the aim of the fund was not to help Histadrut enterprises and denied recent reports claiming that the fund had used some of its money to aid the stricken Histadrut industrial flagship, Solel Boneh.

Although more than 18 months have passed since the fund's launch, Tsafiri explained that it had not wound up its work because some works committees have only just joined the scheme. Bezak and Postal Authority workers for example, will only donate their first payment next month.

The development towns at the top of the fund's priority list for aid are Yeroham, Dimona and Ofakim. Of the 39 factories who have so far received loans, two have gone bankrupt. But Tsafiri maintained that the fund, via the local labour council, carries out stringent examinations before granting the factory's request for assistance. The difference between success and bankruptcy, said Tsafiri, can often depend on just one order.



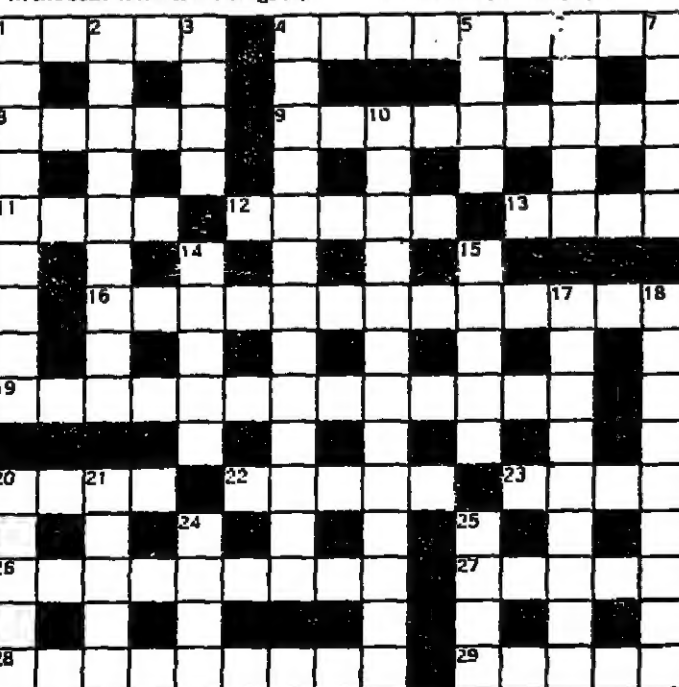
CROSSWORD

ACROSS

- 1 Given a strapping with some spirit (5)
- 4 One way to take down is to forge money (4,5)
- 8 Sore badly—even more badly (5)
- 9 Checked—and upbraided (6,3)
- 11 Sharper beaked creature (4)
- 12 Hold forth the most outstanding part of the tenet (5)
- 13 Box for ice and crystal (4)
- 16 What Olympic cross-country runners do to keep alive the message (6,3,5)
- 19 Current means of boring wire REME recruits? (8,5)
- 20 The trunk—and what Poirot found in it (4)
- 22 Suitable quently attire for one in the seat of the Irish kings (5)

DOWN

- 23 Incline to be unproductive (4)
- 26 What a mopping pun draws to a point is best for covering the rest (4,5)
- 27 Greek poet applauded by baseball fans (5)
- 28 Tense hue engendering a body now opposed to Reagan (3,6)
- 29 Nip back to the house. I'll give you a lift! (3,2)
- 1 Since it isn't capital it could hardly be heard in a higher court (5,4)
- 2 Scroll an admission to being hit, the car going over (9)
- 3 Legal document which can also be read up (4)
- 4 Encountered a doctor of transcendental philosophy (13)

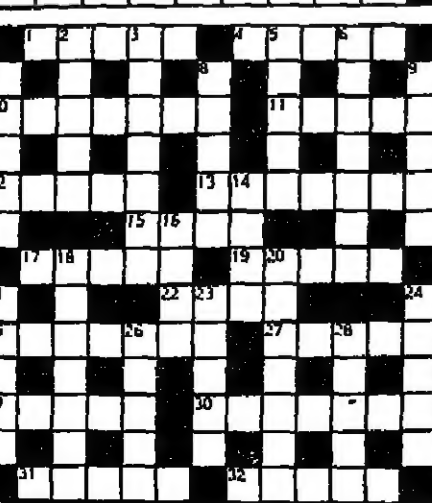


Yesterday's Solution

CABOTAGE AKIMBO
E I O I I A V
LOCATION ENTREPRE
I O I D G I R
CAMPASPE PLANET
O E N L D E A O
T A L G A M E W A R D E N
W E L L I N E V E R
O L F E R R C S C
R I S H E R S T I L E T O
A C H O P N T O U R A I N E
E L N E C R
D O S A G E A G I T A T E S

QUICK SOLUTION

ACROSS: 7 Sighed, 8 Lights, 10 Achieve, 11 Arson, 12 Edum, 13 Adler, 17 Place, 18 Grim, 22 Cream, 23 Nourture, 24 Favour, 25 Pundit.
DOWN: 1 Ashamed, 2 Egghead, 3 Level, 4 Citadel, 5 Ghost, 6 Using, 9 Mendicant, 14 Clamour, 15 Grounds, 16 Amheety, 19 Scoff, 20 Heavy, 21 Proud.



QUICK CROSSWORD

ACROSS

- 1 Entire (5)
- 4 Uncertainty (5)
- 10 Childish chatter (7)
- 11 Illegal US liquor (5)
- 12 Indian state (5)
- 13 Hugo (7)
- 15 Duelling sword (4)
- 17 Household task (6)
- 19 Confined to college (5)
- 22 Clunkers (4)
- 23 Card game (7)
- 24 Lazy person (5)
- 25 Send off (5)
- 26 Vengeful and hardy (7)
- 31 Silly (5)
- 32 Copper coin (5)

DOWN

- 2 A winning loss (5)
- 3 Protestant martyr (7)
- 5 Ancient British alphabet (5)
- 6 Young girl guide (7)
- 7 Small fish (6)
- 8 Weird (5)
- 9 Tribal ruler (5)
- 14 Prefix meaning a million (5)
- 16 Nuisance (4)
- 18 Executioner (7)
- 20 Snake (7)
- 21 Reticule (5)
- 23 Fall out of date (5)
- 24 Edge (5)
- 25 Shiny fabric (5)
- 26 Classical language (5)

GENERAL ASSISTANCE

EMERGENCY PHARMACIES

Jerusalem: Givnat, 12 He'ari, 633676; Belsam, Salah Eddin, 272315; Shu'afet, Shu'afat Road, 810108; Oer Aldawa, She'afat Gate, 265068.
Tel Aviv: Shor, 54 Hamelech George, 280644; Kupat Holim Meuhedet, 265200. Ra'anana-Kfar Sava: Merkaz Golan, 198 Ahuza, Ra'anana.
Netanya: Carmel, Kiryat Nardou commercial centre, 51774.
Kiryat area: Hakrayot, 1 Hahagana, Kiryat Bialik, 721895.
Haifa: Yavne, 7 Ibn Sina, 672288.

DUTY HOSPITALS

Jerusalem: Bikur Holim (pediatrics, E.N.T.), Hadassah Scopus (internal), Niv-gav Lachish (obstetrics), Hadassah Ein Kerem (surgery, orthopedics), Shaara Zedek (ophthalmology).
Tel Aviv: Rotah (pediatrics, internal, surgery).
Netanya: Laniado

FIRE 102

In emergencies dial 102. Otherwise, dial number of your local station as given in the front of the phone directory.

POLICE 100

Dial 100 in most parts of the country. In Tiberias dial 324444, Kiryat Shmona 4444.

FLIGHTS

24 — House Flight Information Services: Call 03-5712494 (multi-line), Arrivals Only (Taped Message) 03-381111 (20 lines)

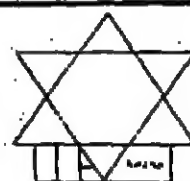
FIRST AID 101

Magnus David Adom
In emergencies dial 101 in most parts of the country. In addition:

Ashdod 51332 Jerusalem *523133
Ashdod 23333 Kiron 344442
Bat Yam *551111 Kiryat Shmona 34444
Beer Sheva 74767 Netanya *923333
Carmel *989555 Netanya *23333
Dan Region *781111 Patah Tikva *9231111
Elit 72333 Rehovot *461333
Hadara *22233 Rehovot *42233
Haifa *512233 Safed 500333
Hatzor 836333 Tel Aviv *5480111
Holon *03133 Tiberias *780111

* Mobile Intensive Care Unit (MICU) service in the area, around the clock.
Eran — Emotional First Aid, Tel. Jerusalem 227171, Tel Aviv 5481111 (hotline/youth 03-281173, Haifa 672222, Beer Sheva 418111, Netanya 25376).
Naga Crisis Centre (24 hours), for help call Tel Aviv, 234819, Jerusalem — 245564, and Haifa 650111.
The National Poison Control Centre at Rambam Hospital, phone (04) 525205, for emergency calls, 24 hours a day, for information in case of poisoning.
Kupat Holim Information Centre Tel. 03-433300, 433300 Sunday-Thursday, 8 a.m. to 8 p.m. Friday 8 a.m. to 3 p.m.

התאחדות עולי אתיופיה לעליה וקליטה בישראל
የኢትዮጵያ ሕዝባዊ አብዮት ሰርዓት
The Association of Ethiopian Immigrants



OPEN LETTER TO Members of the Board of Governors, Jewish Agency

The Ethiopian community in Israel is currently facing a critical housing crisis. Recent newspaper reports have indicated that a solution is in sight. The Association of Ethiopian Immigrants in Israel applauds these efforts to enable Ethiopian immigrants finally to become properly absorbed into Israeli society. However, we warn against these efforts getting bogged down in a lack of coordination, bureaucratic ping-pong, or political infighting between the Absorption and Housing Ministries.

Millions of dollars were raised during Operation Moses, by Diaspora Jewry, in order to assist the absorption of Ethiopian immigrants. All of that good-will and money will have been wasted if the present housing crisis is not resolved. Even though the Jewish Agency is not responsible for the permanent housing of new immigrants, the Association of Ethiopian Immigrants in Israel appeals to your sensibilities and conscience to help find a solution for the Ethiopian community. We implore you, during your meetings in Jerusalem, to use all your influence to impress upon Absorption Minister Yaakov Tsur and Housing Minister David Levy the urgent need to find a permanent solution to the Ethiopian housing crisis.

Once Ethiopian immigrants were excited and enthusiastic about starting new lives in their historic homeland, Israel. However, today, the majority of Ethiopian immigrants have become demoralized and apathetic, since they have already been forced to remain in "temporary" absorption centres for three or more years since their arrival in Israel. Together, we must strive to restore self respect and dignity to Ethiopian immigrants throughout Israel.

Therefore the Association of Ethiopian Immigrants in Israel requests your assistance in achieving the following goals and enabling the remaining 1,500 Ethiopian families to receive permanent housing in the location of their choice by April 1988:

- 1) The immediate closure of all mobile home camps — all buildings have structural damage and are in a state of disrepair.
- 2) The immediate relocation of 1,000 families who are still living in overcrowded absorption centres.
- 3) The "re-housing" of several hundred families who have been forced into ghettos in converted absorption centres throughout Israel.

Finally, these goals must be achieved by involving the Ethiopian community in their execution.

Sincerely

**Assaf Ferde, Chairman
Association of Ethiopian
Immigrants in Israel**

- * The public is invited to participate in today's demonstration opposite the Knesset, at 12:00 a.m.
- ** Tax deductible donations can be sent to the Association to offset the cost of this advertisement or further assist its grass-roots activities, either directly or by being deposited in its bank account at Bank Mizrahi, Branch 001, Account # 415522.

23 Hillel St., Jerusalem, Tel. (02) 248722.

Play It Safe ... Winterize Your Car

הכלה מן אלמל

Analysts predict

Tokyo to follow Wall Street lead

By JAMES KYNIG

TOKYO (Reuters).—Tokyo stock prices will follow Wall Street this week to triumph or disaster, according to analysts.

After Saturday's half-day trading session, during which Tokyo's 225-share market index gained 97.56 points to 23,298.78, some analysts admitted they could not foresee the direction of Tokyo's volatile stock exchange.

"I am not sure what will happen this week," said the chief market analyst at Nomura Securities, Japan's largest brokerage house. "So much depends on Wall Street and levels of panic, which are difficult to predict."

A lot depends on the foreign markets but it looks like international investor confidence is gaining," said a broker at Nikko Securities.

That view was also echoed in New York.

"The important thing about Friday's relative calm on Wall Street is that the market appears to have come out of the passionate stage and is now getting back to more recognizable levels," said analyst Larry Wachtel of Prudential-Bache Securities in New York.

The Tokyo stock market, the world's biggest in value terms, lost 11.6 per cent of the money invested in it last week — a sum larger than all the cash in Singapore's market, analysts said.

Tokyo investors, bitter about their losses, blame the rout in share prices on the Wall Street market, which has declined 28 per cent from its peak on August 25.

"If Wall Street falls again and fears of recession in the United States worsen, then Tokyo will follow it down," said analyst Tadaki Uehara at Wako Securities. "If the American economy contracts, the world (economy) contracts." "The market will be volatile, that is for sure," said an analyst at Sanyo Securities.

Falling or stable interest rates around the world were comforting factors but in the short-term all that

mattered was for confidence to be restored, the Sanyo broker said.

Japan's long term prime rate will remain unchanged for November, two major Hongkong-based banks cut their prime rate by one per cent on Saturday and U.S. interest rates have also been declining.

Stock markets love the easy credit that low interest rates bring.

Analysts in Tokyo also saw signs that world leaders are serious about trying to avert the economic catastrophe that could follow another major tumble on Wall Street.

"Reagan commented and many European financial leaders have made comforting remarks, world policy is more coordinated to stop further (stock price) falls than before," said the Nomura analyst. A further fall in the value of the U.S. dollar against Japan's yen early this week would have a negative effect on Japanese stocks, analysts said.

"If the dollar really plunges, that would damage the recovery in the export sector that we have been relying on as the driving force for (Japan's) economic growth," said an analyst at New Japan Securities.

A rout in Hongkong's stock market when it opens today after a four-day closure would test frayed Tokyo nerves still more, brokers said.

"Hongkong will be a bloodbath," predicted one foreign broker.

Sydney's stock market, which has shed 30 per cent of its value since Wall Street's "black Monday," was also bracing itself for another battering although analysts said the Tokyo market's rise on Saturday provided grounds for a glimmer of optimism.

"We are still hostage to Wall Street. It could well be another bloody awful Monday," said a broker who did not want to be identified.

"The market will be a little bit choppy for a while — the next couple of weeks — until major institutions decide whether or not to reinvest," said another Sydney broker.

"In fact, all the world markets will be volatile for the next three months — minimum," he added.

CURRENCY MARKETS

Dollar under heavy pressure

The U.S. dollar closed sharply lower on Friday undermined by speculation that the Group of Seven intend to lower their target ranges for the dollar.

The dollar was relatively stable throughout the week as world bond and stock markets exhibited wild swings. The dollar fell on Monday in reaction to U.S. Treasury Secretary James Baker's comments that the U.S. will review the Louvre accord because the Germans failed to adhere to it. The record one-day fall on Wall Street and the panic in the financial markets convinced Baker to change course and after an urgent meeting with his German counterpart a message of cooperation was issued. This produced a sharp recovery in the dollar that was further supported by a recovery on Wall Street, and the currency rose as high as 1.8200 DM.

But this level failed to hold and the dollar's fall gathered momentum after President Reagan's speech on Thursday. The president failed to

assure the market that the necessary budgetary steps, especially a tax increase, will be taken. So far the dollar has been little affected by the sharp decline in its interest rates. Short term rates fell around 2 per cent and long term rates around 1 per cent. Rates around the world followed this trend so the change in the interest rates' differentials was less dramatic.

Forecasters moved — the extreme volatility in the financial markets may well spread into the currency market next week. The dollar seems vulnerable in light of the deteriorating confidence in U.S. economic policies. We expect the dollar's weakness to continue and a breach of the 1.76 DM and 140 yen levels is likely to generate heavy technical selling. Only drastic policy changes in Washington may lift the pressure off the dollar but such changes are not evident at present.

The column appears courtesy of Boaz Barak Advisory Service.

Textile trouble

Police in Petah Tikva yesterday dispersed demonstrators from the Sharon textile factory and other local factories who blocked the Petah Tikva Road in protest against the planned closure of Sharon Textiles.

Mapam Knesset Member Yair Tzaban, who was at the demonstration, promised to raise the issue of the factory's closure at today's meeting of the Knesset's Labour and Social Affairs Committee.

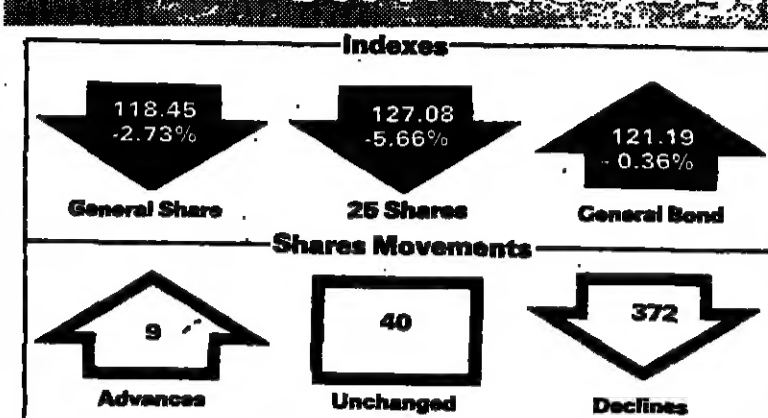
Shlomo Kohalani, the head of Sharon's works committee, said the atmosphere at the factory is one of fear and desperation in anticipation of the November 4 closing date. He



MK Yair Tzaban joins the protest against the planned closure of the Sharon textile plant. (IPPA)

said the workers will refuse to leave the factory as they have nowhere else to go. One hundred and eighty workers at the plant have received redundancy notices. (Ium)

Tel Aviv Stock Exchange



Selected Prices

Name	Price	Volume	% change
General Share	118.45		-2.73%
25 Shares	127.08		-5.66%
General Bond	121.19		-0.36%
Advances	9		
Unchanged	40		
Declines	372		

Commercial Banks

Name	Price	Volume	% change
Bank Leumi	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4

Mortgage Banks & Finance

Name	Price	Volume	% change
Bank Leumi	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4

Insurance

Name	Price	Volume	% change
Bank Leumi	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4

Real Estate, Building and Agriculture

Name	Price	Volume	% change
Bank Leumi	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4

Industries

Name	Price	Volume	% change
Bank Leumi	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4

Aerospace

Name	Price	Volume	% change
Bank Leumi	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4

Telecommunications

Name	Price	Volume	% change
Bank Leumi	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4

Transportation

Name	Price	Volume	% change
Bank Leumi	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4

Utilities

Name	Price	Volume	% change
Bank Leumi	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4

Metals

Name	Price	Volume	% change
Bank Leumi	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4

Chemicals

Name	Price	Volume	% change
Bank Leumi	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4

Food & Beverage

Name	Price	Volume	% change
Bank Leumi	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4

Pharmaceuticals

Name	Price	Volume	% change
Bank Leumi	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4

Media

Name	Price	Volume	% change
Bank Leumi	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4

Technology

Name	Price	Volume	% change
Bank Leumi	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4

Energy

Name	Price	Volume	% change
Bank Leumi	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4

Automotive

Name	Price	Volume	% change
Bank Leumi	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4

Aerospace

Name	Price	Volume	% change
Bank Leumi	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4
Bank Hapoalim	118.00		-0.4
Bank Mizrahi	118.00		-0.4
Bank Discount	118.00		-0.4

Banking violations

(Ium).—A group of six individuals and institutions have asked the High Court of Justice to instruct the Banks' Examiner to order the country's four major commercial banks to reimburse them by NIS100 million, a figure they claim the banks had improperly pocketed.

According to the plaintiffs, they had held certificates of deposits (deposits) accounts with the major commercial banks for six months in 1983. The banks, they claimed, had agreed among themselves the interest rates on such accounts and thus violated regulations against trade restriction and gained illegal benefits.

The four banks, Leumi, Hapoalim, Discount and Mizrahi, were already found guilty in January 1986 of coordinating interest rates for such deposits. The court then fined each bank NIS40,000, following plea bargaining.

Plaintiffs Rachel Dagan, Richard Neuman, Neuman Industries, Micha Lerner, Karen Hooper and the Erez fund argued that the plea bargaining was dishonest since the law establishes that the banks could have fined a sum seven times as high as the benefit they reaped.

Shekel Deposits (annual rates)

Bank	Deposit Size	Fixed	7 days	14 days	30 days
Bank Leumi	10,000-100,000	12.25	12.00	13.00	15.50
Bank Hapoalim	10,000-100,000	12.25	12.00	13.00	15.50
Bank Discount	10,000-100,000	12.25	12.00	13.00	

